

The NATIONAL UNDERWRITER

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N. J. Buyers Must Tell Whether It's Replacement Or Not

New Regulation, Effective Dec. 1, Also Sets Tougher Definition Of Replacement

TRENTON—Commissioner Howell of New Jersey has promulgated a revised version of the tentative replacement regulation on which he held a hearing Aug. 10. It will become effective Dec. 1.

The regulation adds an important requirement not contained in the draft version: Every life company licensed in the state "shall have in its files over the signature of the applicant, in connection with all applications for life insurance policies, a statement as to whether or not such policies are to be a replacement of an existing policy or policies."

Will Have To Lie

This means that if a policyholder plans to replace and doesn't want to admit it, he will be guilty of an explicit lie. In New York, for example, where there is a requirement that the applicant state on the application if the policy is to replace an old one, the usual practice is to leave the question blank. In New Jersey, the applicant will have to state specifically that the new policy is not to replace an old one. Obviously, this requirement is being put on the companies and the applicants in the hope that an applicant will be less willing to tell an outright lie than to pass-

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Survey Shows Inflation Isn't Scaring People Off Insurance

The decline in the dollar's purchasing power is having little effect on people's attitudes toward life insurance—in fact, those who invest in equities are likely to be substantial owners of life insurance.

This is one of the major conclusions drawn from the second volume of the "Life Insurance in Focus" series, based on a national consumer survey conducted by LIAMA and Life Underwriter Training Council. The report is concerned with the extent to which people utilize the major non-life-insurance forms of investing and saving,

as well as the effect of gradual inflation on such use.

The 4,000 household heads in the survey were asked how they believe a family should adjust its insurance purchases in a period of rising cost of living. The largest group, 44%, said the amount of life insurance should be increased; 40% said the cost of living would not affect the amount purchased; and 12% said that less life insurance should be purchased. (The remaining 4% did not answer the question.)

Tops Savings, Investments

At all income levels a larger proportion of household heads hold life insurance than hold other forms of savings or investment. At income levels below \$8,000, ownership of stocks and mutual funds is almost non-existent. Among those with incomes of \$15,000 or more a year, approximately two-thirds reported owning individually purchased stock and three in 10 reported owning mutual funds.

People who own stock or mutual fund shares say they bought because of the high return on their money, not to provide security or to protect the family. Relatively few said they had

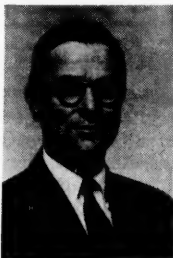
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Life Institute Names William Paynter V-P, Effective Early Nov.

William K. Paynter, director of advertising and public relations of Connecticut General, has been named vice-president of Institute of Life Insurance, a post he will assume sometime in early November.

Mr. Paynter joined Connecticut General in 1949 to direct its publicity operation. He became head of the company's advertising and public relations unit in 1956. Before joining Connecticut General, he had been a reporter and editorial writer for the Hartford Courant and prior to that was a reporter for the Coatesville (Pa.) Record.

He is chairman of the advisory committee of Insurance Information Office of Connecticut and is a member of the public relations research committee and the advertising analysis committee of Life Advertisers Assn.



William K. Paynter



Charles R. Howell

McNamara Is Ill; Name Schneider For NALU Secretary

Amended Report Filed; Three More Nominees For Trustee Post Named

NALU Trustee Frank G. McNamara, Old Line Life, Waukesha, Wis., suffered a stroke last Thursday and of necessity has withdrawn as a nominee for the office of secretary of National Assn. of Life Underwriters. In his place the nominating committee has chosen John Z. Schneider, Connecticut General Life manager, Baltimore, as its selection for the post. Mr. Schneider is completing the first year of his second term as a trustee.

Mr. McNamara was stricken while at Merrill Hills Country Club at Waukesha and was rushed to Memorial Hospital there. His physicians have ordered complete rest and quiet. He had hoped to recover sufficiently to attend the NALU convention briefly to announce his withdrawal and thank all who had endorsed him, but, according to doctors, this will be impossible.

Following a request to the nominating committee that his name be withdrawn from both Mr. McNamara's sponsoring committee and Wisconsin Assn. of Life Underwriters—one of the endorsing associations—the nominating committee was officially advised by President William E. North, New York Life, Evanston, Ill., that an amended report was in order.

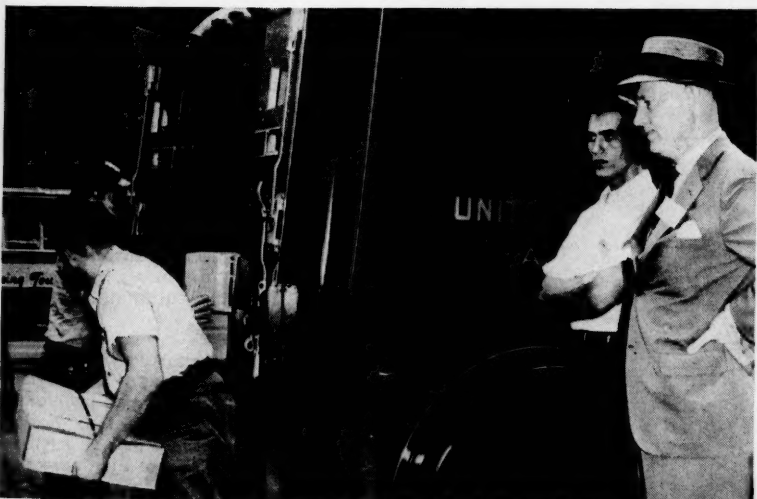
In the amended report, it was pointed out that if Mr. Schneider were elected secretary it would create a trustee vacancy. Consequently, the nominating committee has selected three nominees for the office of trustee for one year. This is in addition to the six previously nominated. They are Mrs. Thelma R. Davenport, Northwestern Mutual, Washington, D. C.; Miss Mary C. McKeon, Prudential manager, Montclair, N. J., and Earle L. Patten, New England Life manager, Fresno.

14% Group Life Rate Cut For General American

A substantial over-all reduction in group life premium rates has been announced by General American Life. The reduction applies to group term life for employees and to the term portion of group life with paid up units. The new rates are based on the 1960 Commissioners Standard Group Mortality Table, the first to be based on group life experience. With adoption of group life premium regulations in Michigan Sept. 1, General American's new rates are applicable in all states in which the company operates.

The amount of reduction varies by size of case and average premium per employee, with the largest reduction occurring in the larger cases. The new General American Life rates will average 14% lower by amount of premium than the old rates.

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Richard D. Kernan, treasurer of Equitable Society, right, watches as guards load securities into armored truck during Equitable's move of \$5½ billion worth of stocks and bonds to its new 42-story home office building in New York. Picture was taken in front of old home office. Story on page 8.

Mass. Mutual Relates, Clarifies Its Rules On Replacing Policies

Massachusetts Mutual has reiterated its firm stand against the indiscriminate replacement of existing policies in a letter just distributed to the company's field force. The letter contains a restatement and further clarification of the company's practices with respect to replacements.



L. J. Kalmbach

Writing to all general agents and agents, President L. J. Kalmbach said, "As a result of many years of effort, the prestige of the institution of life insurance, life insurance companies, and the life insurance sales force is at an all-time high; but widespread replacements can only harm the reputation of our

business, life insurance companies, and the field forces. Because of the seriousness and the increasing magnitude of the problem, it is important for each member of the field force to have a clear understanding of the company's position and practices."

The letter stated that: "In most instances, a replacement is not to the advantage of the policyholder, because of the increased premiums for a new policy issued at a higher age, duplication of acquisition costs, loss of privileges and options under old policies, which in some instances are not available in the new contracts, and the introduction of new suicide and incontestability clauses. We will not sanc-

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Pitcher Given Nod By GAMC Nominating Unit

The committee on nominations of General Agents & Managers Confer-

ence of NALU has nominated Robert B. Pitcher, general agent of John Hancock at Boston, for the post of national chairman. The election will take place during the annual convention of NALU in Denver, Sept. 24-29.

Chairman of the committee is Leonard T. Smith, Prudential, Cranston, R. I.

Other nominees named by the committee were C. Carney Smith, Mutual Benefit Life, Washington, D. C., for vice-chairman; L. Kent Babcock, Aetna Life, Philadelphia, for secretary, and Dale A. Simpkins, New York Life, Milwaukee, for treasurer.

Hastings Smith, New England Life, Indianapolis, was nominated for a one-year term as a director, filling the vacancy created by the nomination of Mr. Simpkins. Mr. Smith is completing a three-year term as a director.

Others nominated for three-year terms as directors were Emanuel M. Belkin, Prudential, Miami; Dan A. Kaufman, Northwestern Mutual, Evanston, Ill.; Himes M. Silin, Lincoln National Life, Erie, Pa., and Robert L. Woods, Massachusetts Mutual, Los Angeles.

James E. Keen, Adrian, Mich., was top producer among agents of American Hospital Medical Benefit during August.

A \$1,000 check, the highest award ever presented through the suggestion system at John Hancock, is here presented to Alice Welch of the actuarial department by Byron K. Elliott, president. Looking on is J. Edwin Matz, vice-president, actuarial department.

Miss Welch's suggestion, soon to be adopted by her department, will introduce a newly designed IBM card for machine reproduction and calculation of data necessary for the processing of certain claims. She intends to use the money to make a trip to Ireland in October.



Robert B. Pitcher

Defossez Is Deputy Of N. Y. Department As Brooks Retires

Raymond M. Defossez has joined the New York department as deputy superintendent. He succeeds Walter F. Brooks who is retiring.

Fairfield W. Hoban has been advanced from assistant counsel to associate counsel of the department's welfare fund bureau. Natale C. Tedone succeeds Mr. Hoban. Harold M. Leeds has joined the department as insurance research consultant.

Mr. Defossez has been counsel in New York with Continental Casualty. Before joining that company in 1956 as attorney, he practiced law in New York.

Began As Examiner

Mr. Brooks was with the department for 22 years. He began as an examiner, became assistant deputy superintendent in 1949 and acting deputy superintendent shortly thereafter. He held the administrative designation of deputy superintendent since 1950 and in 1959 was transferred from a civil service to an appointive capacity with that title. He has been in charge of the Albany office.

Mr. Hoban was special assistant counsel to the department before his assignment to the welfare fund bureau. Mr. Tedone and Mr. Leeds join the department from private practice.

Company Receptions, Dinners To Highlight NALU Annual Meeting

A record number of life companies will sponsor dinners and/or receptions at Denver to honor their field men participating in the NALU's annual convention, Sept. 24-29. Most of the affairs will take place Thursday evening.

More than a hundred high-ranking company officers—including many company presidents—will also attend these traditional dinners and receptions.

The company affairs and their location include Aetna Life, Denver Club; American General group, Albany Hotel, Game Room; Bankers Life of Iowa, Cosmopolitan Hotel, Broadway Arms; Bankers Life of Nebraska, Albany Hotel, Cedar Room; Business Men's Assurance, Denver Hilton Hotel, Assembly I; Capitol Life, Denver Athletic Club, Men's Dining Room, and Commonwealth Life, Albany Hotel, Spruce Room.

Also, Connecticut General, Denver Club, Ladies Dining Room; Connecticut Mutual Life, Petroleum Club, Men's Grill; Continental Assurance, Denver Hilton Hotel, Colorado Room; Equitable of Iowa, Diplomat Motor Hotel, Summit Room; Equitable Society, Denver Hilton Hotel, Court Place; Fidelity Mutual

(CONTINUED ON PAGE 27)

Pick Panel To Quiz CLU College Hour Speaker At Denver

A three-man question panel has been selected to quiz the speaker at the American College hour Sept. 27 during the National Assn. of Life Underwriters annual convention in Denver. They will ask him questions that they feel the convention audience would be most interested in getting answered.

The speaker will be Gaylord A. Freeman, president of the First National Bank of Chicago, who will speak on "Money: Present and Future."

Panelists will be Carr R. Purser, Penn Mutual, New York City, chairman of General Agents & Managers Conference; Lester A. Rosen, Union Central Life, Memphis, chairman-elect of the Million Dollar Round Table, and R. Edwin Wood, Phoenix Mutual Life, San Francisco, trustee of NALU.

Besides being a bank president, Mr. Freeman is a member of the Commission on Money & Credit of the Committee for Economic Development. He has also served the federal government as vice-chairman of the Chicago area price adjustment section of the central procurement district of the army air force and as consultant to the Secretary of the Treasury.

Denver Agency Heads To Be GAMC Hosts At NALU Meet

Ten Denver agency heads will be hosts to General Agents & Managers Conference of NALU on Sept. 27 during NALU's annual convention at Denver.

The local committee will be headed by John H. Lowe, Union Central Life. Mr. Lowe is president of Denver General Agents & Managers Assn.

Others on the committee are Richard C. Bergan, Jefferson Standard Life, association vice-president; Robert N. Samuels, New England Life, secretary-treasurer, and E. Dee Gray, Fidelity Mutual Life, immediate past president.

Directors on the committee are Earl E. Clark, Penn Mutual Life; Donald J. Draxler, Bankers Life of Nebraska; Garth K. Nielson, United American Life; Bernard S. Rosen, State Mutual Life; H. Preston Smith, Mutual Benefit Life, and Jack H. Warner, Metropolitan Life.

Replacements Are 'Greatest Threat' To Agents, Hamor Tells Pyramid Club

Replacement is currently the greatest threat to life agents, Robert B. Hamor, vice-president and director of agencies Continental Assurance, told that company's Pyramid Club meeting in Chicago. Some people profess to believe replacement is more talk than fact, but Mr. Hamor said the experience of home office people in all companies supports those who believe the business is in trouble. In the case of Continental, there has been a "great and disturbing increase" in the number of inquiries from other companies on specific replacement suspicions, and Continental, in turn, has traced major terminations directly to replacers.

Also On TV Show

Mr. Hamor discussed this subject not only before the agents association, but a week later was on the NBC-TV show, "Invest in America," and was interviewed on the subject of replacement under the title "Should You Replace Your Present Life Insurance?" The show is conducted by Sam Saran

and is a weekly Saturday feature of Chicago TV.

Telling the Continental agents that the evils of indiscriminate widespread replacement are too well-known to take time to elaborate upon them, Mr. Hamor said one fact only need be stressed—that most replacements are damaging to the insured. "Only this aspect of the problem needs consideration," he said. "That it also hurts the agents and the company is a secondary matter."

Greater Than Ever

Replacements from outside the life insurance industry are greater today than ever before, Mr. Hamor added. "There is no doubt that we face a virtual army of professional replacers consisting of people not basically life insurance agents," he said. "In a way this is to be expected, since in a free enterprise system we cannot quarrel with the right of competitors to vie against us for the public's dollar. Heretofore, the insurance industry has always been able to combat these attacks from the outside. They have done temporary damage, but they have run their course and we have bounced back. The insured public has not always made out as well. Many people are induced to surrender sound insurance for a variety of schemes which lead to their ultimate regret.

Are Not Blameless

"We of the life insurance companies are not blameless, and the replacement problem arising from people outside our industry exists only because we provide the facilities for such so-called outsiders. There are more than 1,400 companies in operation and additional new starts every day. This means some will always be attempting to expand by any means available to them. We—the industry—plead guilty

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'The most important decision in my business life... joining Franklin'



JERRY I. MATUSOFF

Mr. Francis J. O'Brien, Vice President
The Franklin Life Insurance Company
Springfield, Illinois

Dayton, Ohio
July 24, 1961

Dear O'B:

Having now spent approximately four and a half years with the Franklin Life, I feel compelled to make you aware of what I call the "record."

In my six and a half years with another life insurance company, my volume of business averaged \$500,000 per year; my premium volume average was approximately \$15,000 per year. The "records" show that I have produced for the Franklin Life in excess of \$1,000,000 annually; and during the last two years, I have been a member of the NALU Million Dollar Round Table. My premium volume has averaged \$31,000 annually since joining the Franklin.

Becoming associated with the Franklin Life was the most important decision in connection with my business life that I have ever made. There are many reasons for the tremendous increase in my production. Briefly, some of these are Home Office spirit, the background and quality of the company, and cooperation of the Home Office from president to clerk.

We have the same plans available that all the other life insurance companies offer, plus the outstanding "Franklin Specials" which only we offer. I feel that the Franklin Life is the most alert, up-to-date, progressive large life insurance company in the industry.

I am looking forward to even better results through my Franklin association in future years.

Sincerely,

Jerry I. Matusoff

GENERAL AGENCY
OPPORTUNITIES IN
TRENTON AND
ASBURY PARK,
NEW JERSEY

An agent cannot long travel at a faster gait than the company he represents



The Friendly
FRANKLIN LIFE INSURANCE COMPANY

CHAS. E. BECKER, PRESIDENT

SPRINGFIELD, ILLINOIS

DISTINGUISHED SERVICE SINCE 1884

The largest legal reserve stock life insurance company in the world devoted exclusively to the underwriting of Ordinary and Annuity plans.

Over Four Billion Dollars of Insurance in Force

Reeder Describes Progress In Writing Impaired Risks

Significant and sometimes even startling progress has been made in the insuring of impaired risks, Dr. Clifton L. Reeder, vice-president and medical director Continental Assurance, told that company's Pyramid Club at its meeting in Chicago. He spoke in terms of dollar amounts needed to purchase life insurance.

Continental Assurance published small underwriting manuals in 1946, 1948 and 1950. The first appraisal chart was published in 1955, and the current one came out in 1960. Dr. Reeder quoted rates on some common impairments to determine the rate differentials from 1946 to 1961, a span of only 15 years.

An applicant age 45 with a kidney removed the year before because of an injury, buying ordinary, non-participating in 1946 would pay \$48.26 for \$1,000. In 1955 the cost was \$35.82, and currently this applicant is standard.

A 45-year old diabetic, a preferred case with thorough treatment after having been diagnosed the year before, in 1946 would have been rejected because no cases were accepted until they had been treated for two years. In 1955 he would buy his insurance for \$38.06 and in 1960, he would pay \$34.55. The same situation at age 65 was a straight reject in 1946, a \$98.24 rate in 1955, and a \$79.59 rate in 1959.

Blood Pressure Always Problem

High blood pressure is always a problem, Dr. Reeder said. A risk age 55 with a blood pressure of 154/98 in 1946 paid \$76.96, in 1955 the cost was \$59.40, and by 1961 it was down to \$53.71.

Tremendous changes have taken place in the method of appraising heart murmurs, he said. In 1946 and 1950 a functional murmur could be standard if applicant was age 40 or younger. Chest X-rays to determine heart size and contour were seldom requested. The most common type of organic murmur, a Systolic murmur for a 55-year old applicant in 1946 produced a rate of \$76.96. In 1955 it was \$65.20, but if a current chest X-ray showed a normal sized heart

the rate was \$59.40. By 1961 the rate before X-ray was 59.51 and if normal under X-ray, \$53.71.

Set Up In 1948

Continental Assurance was the first company to insure applicants with known histories of heart attacks. The program was set up on an experimental basis in 1948. Dr. Reeder said an applicant age 55 who had a coronary five years before but otherwise checked in O.K. in 1946 was rejected. In 1950 he was limited to \$10,000 and paid a rate of \$150.08. By 1955 he was allowed \$20,000 and paid \$111.64, and currently the company issue limits apply and the rate is \$86.17.

Many other impairments could be cited, Dr. Reeder said, but the answers are about the same. There has been a definite progression in appraising life insurance applicants and it continues today on the experimental underwriting of strokes, angina pectoris, abnormal electrocardiograms and unusual combinations of impairments.

NW Mutual Names Five To Policyholder Examining Group

Five Northwestern Mutual Life policyholders have been elected to the 1961-62 examining committee of policyholders which conducts an independent annual review of the insurer's operations. They are James R. Brown, president West Bend Co., West Bend, Wis.; Albert L. Butler Jr., president Arista Mills, Winston-Salem, N.C.; Charles J. Conover, rancher and farmer, Satanta, Kan.; William C. Fenniman, president Connecticut Bank & Trust Co., Hartford, and Herman E. Johnson, president and general manager Western Printing & Lithographing Co., Racine, Wis.

The committee makes a thorough investigation of management policies and practices. It employs its own auditors and reports its findings and suggestions to the policyholders and the board of trustees. This committee is unique among the life insurance companies.

Health Institute Spotlights 20-Year Rise In A&S Cover

In the space of 20 years, the number of people covered by health insurance has gone from one out of every 10 persons in the United States to the present figure of three out of every four persons, according to Health Insurance Institute.

Back in 1940, 9% of the civilian population was covered by some form of health insurance, the institute said, while at the beginning of 1961, some 73% were covered. Midway between the two dates, 1950, some 51% of the population had health insurance.

Only 12 million Americans were covered with hospital expense insurance 20 years ago. Since then there has been an 11-fold increase and some 132 million persons had hospital coverage at year-end 1960. In 1950, nearly 77 million were insured.

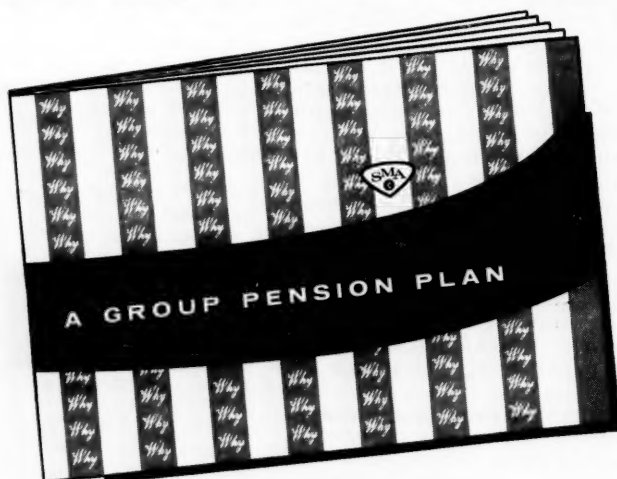
The same type of growth has been shown by surgical expense coverage and by regular medical expense insurance, the institute said.

In 1940, 5 million Americans had surgical expense coverage, but in the following 20 years there was a 23-fold increase. At the end of 1960 more than 121 million people had surgical coverage, the institute said. In 1940, some 54 million persons were covered with surgical insurance.

Regular medical expense insurance covered only 3 million Americans in 1940. However, there was a 29-fold increase in this coverage in 20 years so that more than 8 million people were so covered last year. Less than 22 million had the coverage in 1950.

As to the breadth of health insurance coverage, the institute noted that 92% of those with health insurance have both hospital and surgical expense insurance and 66% have hospital, surgical and regular medical expense insurance.

SALES POWERED BY PLANNED BUSINESS



Today's market for State Mutual's sound group pension plans is a large one. One important reason for this is their flexibility.

Flexible group pension planning is just one part of State Mutual's unique *Planned Business* service. This is the modern "full product" approach to the sale of insurance to businesses — one designed to bring a favorable response in even the most complex cases.

State Mutual's group representatives — in 24 offices across the country — are specialists in their field. For expert assistance on group pension planning — or on *Planned Business* — see the State Mutual group representative in your area. Or write us here in Worcester, Massachusetts.

State Mutual's new booklet, shown here, gives briefly the reasons for and advantages of a Group Pension Plan. For a copy, contact your nearest State Mutual Agency or Group Office.



**STATE MUTUAL
OF AMERICA**

State Mutual Life Assurance Company of America, Worcester, Massachusetts

NQA We proudly salute our 1961 Award Winners

SEVENTEEN YEARS

Finck Dorman, CLU
Nate Kaufman

SIXTEEN YEARS

James E. Fusco
Ernest Herzog
Edgar T. Russell

FIFTEEN YEARS

Francis H. Davis
David R. Johnson

TWELVE YEARS

Eugene K. Druart, CLU
Russell Farmer
Charles B. Ingram, Jr.
Alvin R. Meyer

ELEVEN YEARS

Curtis L. McClelland
Ken P. Sheppard, CLU

TEN YEARS

Maurice A. Kennedy
Arthur M. Klinefelter
Doyal E. Plunkitt
E. Lowell Rife

NINE YEARS

Earl L. Ballentine
John N. Botti, CLU
Richard A. Mitchell
William H. Plymate
Vinton C. Reed
William E. Rogers

EIGHT YEARS

Guy E. Fairfield
William Art Long
William G. McClelland

SEVEN YEARS

James B. Lee, CLU
Joe B. Rowekamp
Michael J. Shanley

SIX YEARS

Harry O. Dean, Jr.
Marvin E. Race, CLU
Robert J. Schwab

FIVE YEARS

Marion S. Henry
Peter J. Scaffidi
J. Ronald Scharer, CLU
Lloyd H. Sellers

FOUR YEARS

Alden A. Ameden
Edward J. Biering
Harold D. Hownestine
Glen J. Macaux
Gordon R. Meisner
Lloyd G. Mitten, CLU
Hayden R. Parker
Jack Peckinpaugh
Lewis H. VandeBunte

THREE YEARS

Louis O. Carr, CLU
Richard F. Carey
Albert L. Hodgson
Clint S. Nielsen
Thomas F. O'Haver
Donald A. Remington

TWO YEARS

Gene R. Bennett
Carroll D. Bryant
Norman D. Edwards
Frank L. Gulczynski
Clarence J. Hynes, Jr.
Charles E. Keaton, Jr.
Noel Manning

ONE YEAR

Eugene J. Mincks, CLU
William R. Neis
John S. Simms, Jr.
Howard E. Wallin
Jack W. Watson
Raymond Wick

ONE YEAR

Glen E. Andrews
William F. Church
Robert Clouse
Edward F. Daly, III
Robert G. Fearin
Gordon W. Frederick
Harry P. Gross
Walter Ray Hart
Jack G. Justice
John J. Lee, Jr.
David M. Lippitt
John J. Meyers
John W. Paige, CLU
James R. Perkins
Hoyt E. Phillips
Archie L. Roberts, Jr.
Frank W. Whaley, CLU
George Wilcox

WALTER H. HUEHL, President ARNOLD BERG, CLU, Vice-President and Director of Agencies

Indianapolis Life
INSURANCE COMPANY

A Mutual Company, Founded 1907, Indianapolis 7, Indiana

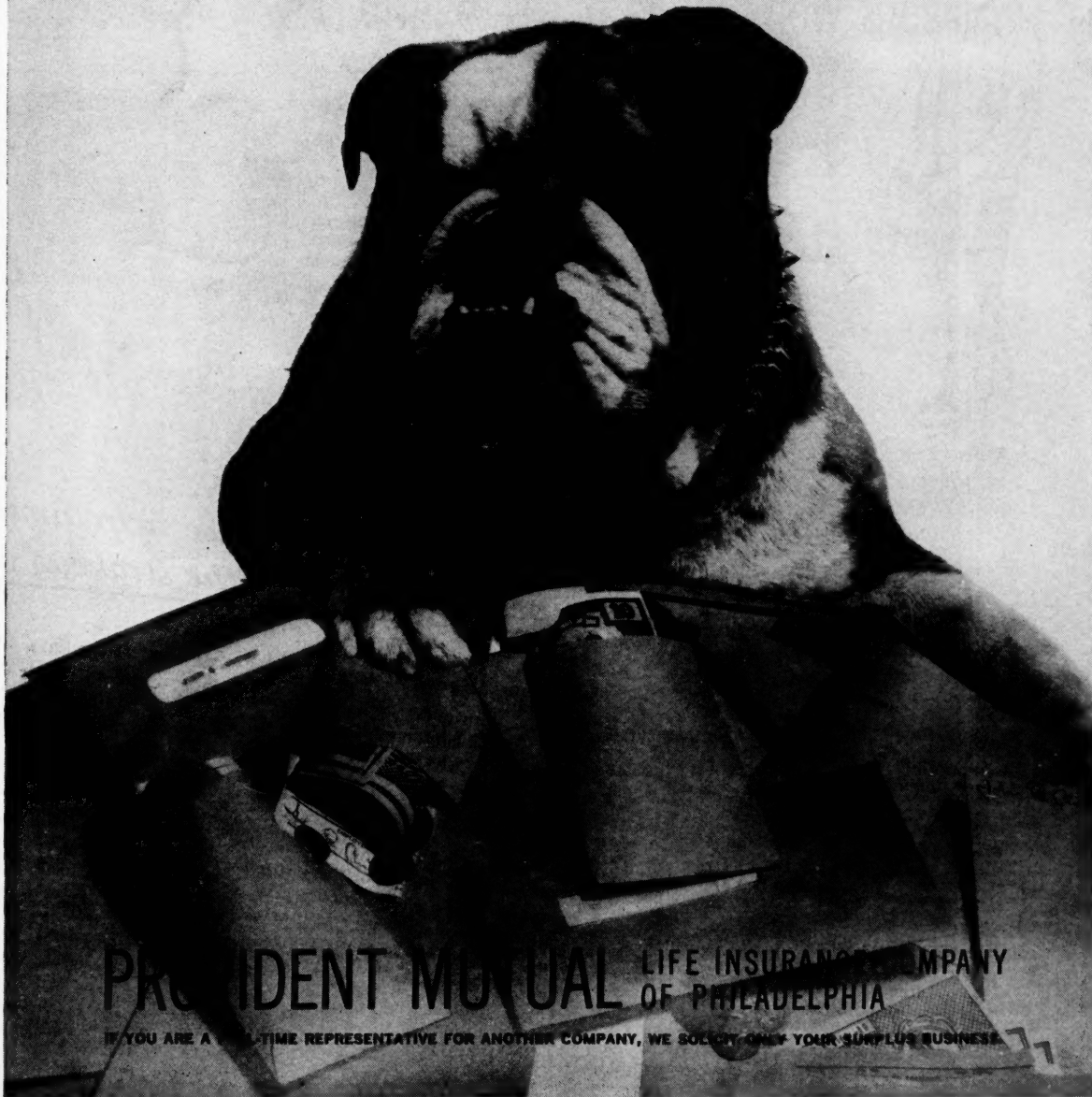
Opportunities in Colo., Conn., Fla., Ill., Ind., Ia., Ky., Mich., Minn., Mo., Neb., N.D., Ohio, Pa., S.D., Tenn., Tex., W.Va., Wis., Kan.

**there's a
better
way
to protect
your
client's
income**

Steady income is a man's most valuable economic asset and needs protection. Over the years, this income could amount to quite a sum—if it continues without interruption. But a serious accident or illness could change all that . . . a fact that no man can ignore.

You can't ignore this most important client need, either. You'll discover that Provident Mutual's Income Protection policies are quite flexible and offer liberal benefits. All are non-cancellable and guaranteed renewable to age 65—and participating. In addition, a wide range of elimination and maximum benefit periods makes it possible for your client to design his own plan.

Our competitive net costs make this portfolio of up-to-date coverages even more attractive. Provident Mutual's new Income Protection policies won't lie down on the job! You'll do well to investigate.



PROVIDENT MUTUAL LIFE INSURANCE COMPANY
OF PHILADELPHIA

IF YOU ARE A FULL-TIME REPRESENTATIVE FOR ANOTHER COMPANY, WE SOLICIT ONLY YOUR SURPLUS BUSINESS.



HIS FIRST DAY AT SCHOOL...

A TIME THAT MAKES YOU STOP AND THINK...

Will we be able to send him to college?

With a growing family, are we free to accept new opportunities?

Could my wife pay off the mortgage, if I were not here?

Will my family always be able to count on me?

Will my wife and I be independent in our later years?



How 5 unique advantages of life insurance help answer these questions... bringing peace of mind at the stroke of a pen

1 BY GUARANTEEING FUNDS FOR COLLEGE.
By figuring in advance the cost of sending their children to college, parents can make sure—through their life insurance—that college expenses can be met.

2 BY ENABLING YOU TO ACCEPT NEW OPPORTUNITIES WITH CONFIDENCE. You know, in advance, exactly how much money will be available in your life insurance at any given time. Secure in this knowledge, you feel free to accept the risks of a new opportunity more readily.

3 BY SAFEGUARDING THE HOME.
With life insurance, a man can safeguard the home his family loves by owning a policy which takes care of any unpaid mortgage.


4 BY GUARANTEEING FAMILY PROTECTION.
With life insurance, a family is protected right from the start. For life insurance guarantees, at the stroke of a pen, an amount of money far greater than most couples could save in many years.

5 BY PROVIDING A STEADY RETIREMENT INCOME. A couple can get more pleasure from their later years when their life insurance provides a steady income guaranteed to last for both their lifetimes.

The wise family head estimates his family's needs, then plans his life insurance accordingly. As family circumstances change, many couples revise their program with their life insurance agent regularly. In this way, they get the most from their life insurance.

Institute of Life Insurance
488 MADISON AVENUE, NEW YORK 22, N. Y.

WHEN SOMEONE'S COUNTING ON YOU ... YOU CAN COUNT ON LIFE INSURANCE



Full-page advertisements like this, appearing in high-circulation Sunday supplements, plus a broad campaign in daily newspapers this Fall, will give 52 million people the answers to questions they ask about life insurance.

Designed to make millions of families
“stop and think”

This new campaign from
the Institute of Life Insurance
raises the questions an agent's clients
may raise—then shows how these
questions can be answered by

5 unique advantages of life insurance

Starting October 8, the Institute of Life Insurance begins a brand-new advertising campaign—reminding families in all 50 states of 5 unique advantages of life insurance in a dramatically different way.

This campaign will appear both in high-circulation Sunday supplements and in daily newspapers. In the supplements, full-page advertisements will dramatize moments in a family's life when they stop . . . think . . . then ask themselves questions.

Each message in the new series starts with a specific “unique advantage”—relating to family protection, a secure home, funds for college, a guaranteed fund for

emergencies or a carefree retirement. But each advertisement covers not just 1 or 2, but 5 *major advantages* of life insurance.

At the end of each message is a paragraph explaining the vital role of the life insurance agent in any planned program—and stressing how a family's program should be reviewed regularly with him.

All life insurance people can identify *themselves* with this program by using the tie-in material provided by the Institute. Mail enclosures, reprints, brochures, posters and other material are available free or at cost through your home office or association channels. Or write:

Institute of Life Insurance

488 Madison Avenue, New York 22, N. Y.

Entering Our Second Half-Century of Service

With a continuous record of growth through service to policyholders and agents during our first fifty years, Illinois Mutual Life and Casualty Company looks forward confidently to a second half-century of progress and success.

Illinois Mutual has a complete portfolio of quality Life, Disability, Income, Hospital and Major Medical insurance issued on both individual and group basis.

Join a growing, progressive industry leader providing security for its policyholders and financially rewarding careers for its agents. Ask about Illinois Mutual's two new non-cancellable and guaranteed renewable disability policies with life-insurance-like high first year commissions yet with liberal A & S-like renewal commissions.



*Protecting your future
is our tradition*



ILLINOIS MUTUAL
Life and Casualty Company

HOME OFFICE, PEORIA, ILLINOIS • E. A. McCORD, PRESIDENT

New Revenue Ruling Called Invaluable For Benefit Plans

Revenue ruling 61-157 is invaluable in helping agents avoid pitfalls and developing sophisticated methods in qualifying employee benefit plans, according to a bulletin just issued by Assn. for Advanced Life Underwriting. Here is the AALU bulletin:

Internal Revenue Service has recently issued Rev. Rul. 61-157, which constitutes a "compilation of guides applicable to the qualification of pension, annuity, profit-sharing, and stock bonus plans under section 401(a) of the internal revenue code of 1954." Thus, the Revenue Service has set forth in one place all the major administrative rules that are pertinent to the qualification of employee benefit plans. Please note that the ruling does not profess to set forth rules with respect to the operation of such plans. Since the area of employee benefit life insurance sales possibilities, the

(CONTINUED ON PAGE 25)

\$5½ Billion Stocks And Bonds Involved In Equitable Move

During the quiet morning hours of a recent Sunday, Equitable Society moved \$5½ billion worth of stocks and bonds from its old home office on New York's Seventh Avenue to its new 42-story structure on the Avenue of the Americas, a distance of more than a mile through what on week days would be people-packed, car-jammed streets. The move was carried out between 8 a.m. and 1 p.m. and, thanks to numerous precautions, was completed uneventfully.

Five armored trucks of United States Trucking Corp. carried the securities, making 55 round trips between the two buildings. Aboard each truck were six men—the driver and two armed guards from U.S. Trucking and representatives of Equitable's treasurer's and controller's departments and the accounting firm of Haskins & Sells.

Police Cooperation

The New York Police Department took special precautions in connection with the move. A sergeant and five uniformed patrolmen were stationed in front of the old Seventh Avenue building and were augmented by an undisclosed number of plainclothesmen and Equitable guards. Another detachment was stationed outside the new building.

Police barricades prevented parking of cars in the immediate vicinity of both buildings. Only persons with a special pass were allowed through the police lines.

The armored trucks were loaded at the Seventh Avenue main entrance to the old building, facing north on the one-way street by special permission. They then traveled east on 32nd Street and north on Avenue of the Americas to 51st Street and unloaded at the 51st Street entrance to the new structure.

All securities had been prepacked by Equitable employees. The filled cartons weighed between 65 and 100 pounds each and were tied with metal straps. Most loads consisted of 12 to 14 cartons.

In addition to all the other precautions, the securities were fully insured against loss during the move.

On the trip to the new building, each truck was preceded along the route by a police radio patrol car and followed by a detectives' car.

The \$5½ billion in securities involved that portion of Equitable assets stored in the home office vaults. The securities moved ranged from \$100 bearer bonds to a \$69 million industrial note. They included bonds issued by state and local governments, some foreign countries and bonds in many leading U.S. corporations, as well as preferred and common stocks.

The securities will be kept in one of the world's best protected steel-lined vaults. Located 38 feet below street level, the electrically-welded vault weighs 155 tons and is surrounded by 28-inch-thick concrete walls, floor and ceiling that are reinforced with vertical and horizontal steel rods. In addition, electric protection devices are built into the vault.

The massive steel door guarding the 1,310-square-foot vault chamber is 34½ inches thick, seven inches high, three and one-half feet wide and weighs 25 tons. A 12-ton, round emergency vault door is 34½ inches thick and three feet in diameter. The vault was manufactured by Diebold Inc., of Canton, O.

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HOME OFFICE - NASHVILLE, TENNESSEE

Pru Conflict-Of-Interest Rules Given For Value As Trail-Blazer

Because of the rising concern about conflict-of-interest situations, the set of rules recently promulgated by Prudential to cover such cases are given in full below, with the thought that they should prove useful at least as a point of departure, to other companies that are seeking to improve their procedures for controlling the conflict-of-interest problem. The rules are based on the results of a questionnaire circulated some months ago among higher salaried officers and employees.

Louis R. Menagh

I am sure every officer and employee of the Prudential is aware of the need to avoid personal situations which might be construed as conflicts of interest—that is, any personal interest outside the company which could make it personally advantageous for him to place his own interest above his obligation to the Prudential. Such a conflict can exist whether or not the employee actually does anything wrong—opportunity and temptation are enough. No officer or employee should ever place himself in such a position.

Avoidance Is Essential

Avoidance of such situations is essential in any organization; this is why, during recent months, many large corporations in the country have taken specific action, usually through their boards, to implement conflict of interest policies.

I have the greatest confidence in the loyalty and integrity of Prudential people, many of whom I have worked with down through the years. They would not knowingly create the sort of situation we must guard against. But it is only reasonable that they should be given a clear understanding of what must be avoided. Therefore, for the guidance of officers and employees, the board of directors has decided that Prudential's policy and rules regarding conflicts of interest and business ethics should be put into clear and detailed form. Accordingly, on May 9, 1961, the board adopted a new bylaw dealing with this subject. This bylaw reads as follows:

"No director, officer or employee of the company shall have any position with or a substantial interest in any other business enterprise operated for a profit, the existence of which would conflict or might reasonably be supposed to conflict with the proper performance of his company duties or responsibilities, or which might tend to affect his independence of judgment

with respect to transactions between the company and such other business enterprise, without full and complete disclosure thereof to the board of directors.

"Each director, officer or employee who has such a conflicting or possibly conflicting interest with respect to transaction which he knows is under consideration by the board or any of its committees, is required to make timely disclosure thereof so that it may be part of the directors' consideration of the transaction. The board of directors, who may act through an appro-

appropriate committee, shall adopt such regulations and procedures as shall from time to time appear to them sufficient to secure compliance with the above policy."

Resolution Also Adopted

At the same meeting the board of directors adopted the following resolution:

"Resolved, that no officer or employee of the company in a position having a salary maximum of \$35,000 a year or more, or \$16,000 or more if a

(CONTINUED ON PAGE 28)



Renew Your Faith!

During recent years the Life Insurance Industry has complacently stood by while policyowners and prospects were being persuaded to "rent" their Life Insurance, buy Level or Decreasing Term, or even drop that which they already own.

It seemed to us at Minnesota Mutual Life that it was time to renew faith in our product by setting forth once more all the real values that make an Insurance Contract "good property for all, the only property for most, the best property for many."

We compiled an impressive list of such values—into a convenient folder entitled "50 Features of Your Life Insurance Contract." It is a constant reminder to our Field Force, and a strong sales tool as well.

Now, to help you to again carry the Life Insurance Banner high, we make this folder available to any life insurance man, regardless of company affiliation, for his personal use.

Use the coupon below to request one or any number of copies. We ask only that you reimburse us for printing and mailing as stated in the coupon.



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How Insurance Helped Widow Over Money Hurdles Told In Post Story

A story of the difficulties of a young widow, putting dramatically into relief the importance of adequate life insurance protection, appears in the Sept. 16 issue of the Saturday Evening Post. The article, "Now I Walk Alone," is certain to attract wide public attention, since it has been chosen to run in the first issue using

the Post's radically redesigned format. The widow is Mary Coit, a 35-year-old Massachusetts mother of six, whose husband died from Hodgkin's disease last October.

One of the few bright spots in this story of bewilderment, pain and isolation is the husband's insurance protection. Mr. Coit had \$45,600 in a

group policy at Raytheon, a \$25,000 individual policy, and Blue Cross-Blue Shield and major medical coverage.

Notes Prevalence Of Widows

In an editorial footnote to the article, readers are told that one out of every eight women in the United States over the age of 14 is a widow and approximately half a million of them are young mothers.

"Death always comes as an intruder, but especially for the increasing number of American women who live com-

fortably in pleasant neighborhoods, whose husbands earn substantial incomes," the footnote states. "About them is an aura of youth and health. Only on occasion does the staggering burden of debt their families carry seem to worry them. They confidently expect another pay raise. For widows there will be no raise."

The Post points out that the atmosphere of affluence can quickly change after the death of the breadwinner.

"Most young widows are totally unprepared to pay the enormous expenses of a terminal illness," the Post continues. "When death comes they are hit with funeral costs, taxes, extra baby-sitting fees, travel expenses. Overnight the widow realizes she does not own her house; she owns a mortgage. She does not own a car; she owns an installment loan. Monthly bills continue to flood in, but monthly income has stopped. Most often the best job she can get is routine, low-pay office work."

Mrs. Coit relates how she lived with no awareness of the possibility of widowhood, in spite of the fact that there were eight widows living in her neighborhood. One day, three years before his death, her husband Charley showed a doctor something that felt like a "misplaced lump." It was Hodgkin's disease, nearly always fatal at that time.

"We had hope," Mrs. Coit reports, "but it was a realistically bleak hope."

Learns Household Management

The Coits used their last few years together setting their house in order. Mr. Coit taught his wife how to become business manager of the family, a job that had been his department—filing income tax returns, having the car serviced, making out budgets and handling valuable papers.

The medical bills came to \$7,000, mostly paid by Mr. Coit's major medical plan. After a series of radiation treatments, the Coits were able to leave their affairs and take a six-day vacation in the Virgin Islands. They returned there the following year and also made a trip to Florida.

Mrs. Coit tells how her whole family was told the truth about her husband's condition. In spite of the pain this gave the children, the oldest of whom was 15, Mrs. Coit does not regret this decision. The truth gave everyone time to prepare for the death of the father.

Although widowhood was an unpleasant new life for Mrs. Coit, the family was in good financial condition. Mr. Coit did not believe in debt, his wife reports. In addition to his insurance he kept a cash reserve. His fellow employees passed the hat to help out with the education of the children.

"Still we are not anywhere near as well off as we would be if Charley had lived," Mrs. Coit says. "I have been amazed at how much capital it takes to make up for a regular paycheck. When money only goes out and is not replaced by regular income, it can drain away in a hurry."

Mrs. Coit and her lawyer worked out a plan giving her \$804 a month for the first year, using insurance and social security. Starting next year for nine years she will receive \$554 a month and slightly less in the ensuing two years. At the end of that time, her youngest children, Rick and Bobbie, who are twins, will be 18. She will then be paid about \$200 a month for the rest of her life. She confesses that she used to complain about insurance premium payments.

Although the article is not expressly (CONTINUED ON PAGE 18)

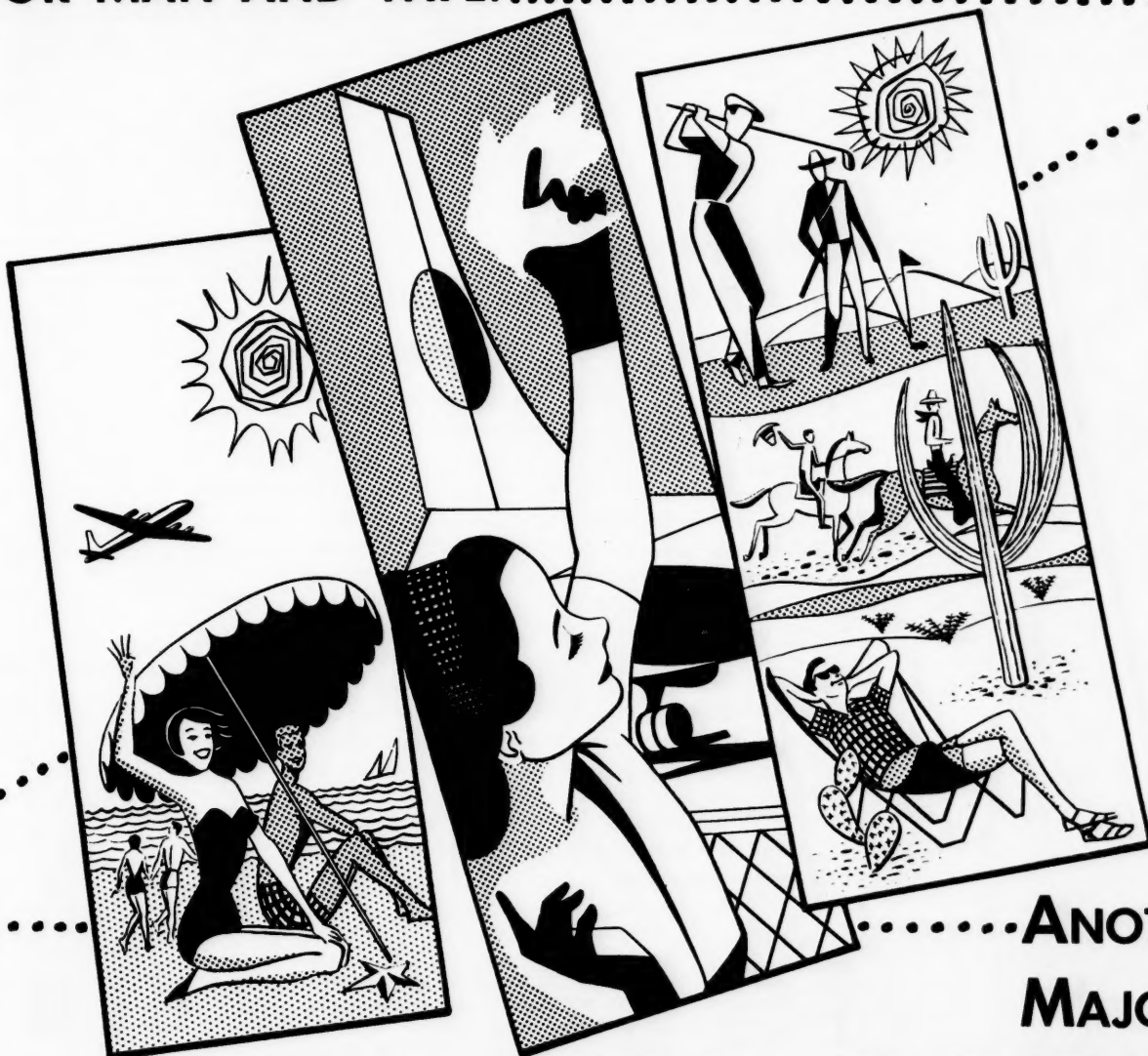


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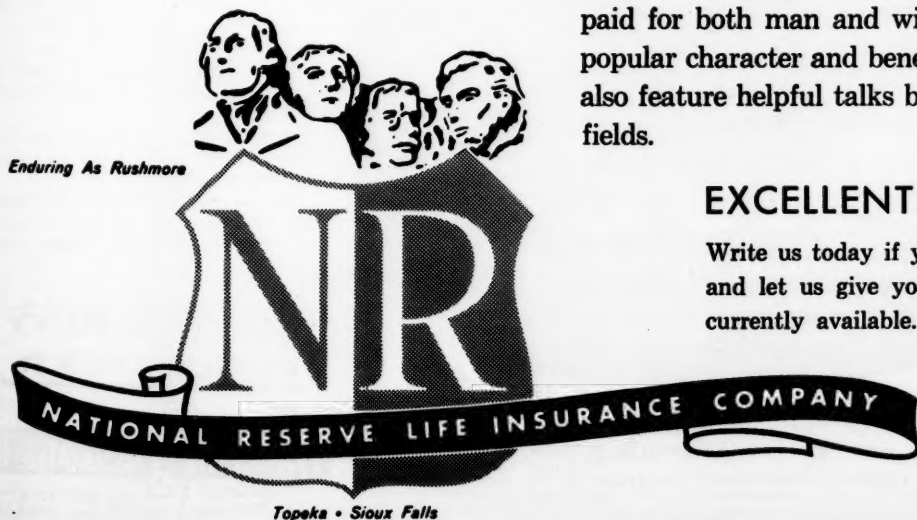
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Tax Court Decision Is Called Helpful To Financed Insurance

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restricted to bonds with interest coupons attached.

The court thus gave full recognition to the fact, that, if there is bona fide recourse borrowing from a third party, such as a bank, interest is fully deductible irrespective of any possible arbitrage advantages that may be gained through the difference in interest rates

as discounted by the tax rate. In fact, the tax court did not even bother to mention or cite the Supreme Court opinion in Knetsch. (Bulletin # 61-20)

With each opinion issuing from the tax court and other courts, the distinction between third party, recourse borrowing and borrowing without recourse from the party who issues the contract of investment (e.g. the insurance company) becomes more apparent. The tax court has, in the past, cited and followed Knetsch in non-recourse borrowing situations which it considered to have constituted sham

transactions (see the De Woskin and Bennett decisions in the tax court cited in our Bulletin No. 60-37). It is not that Knetsch is being ignored; it is simply being distinguished.

Bona fide debt appears to be the key to a successful allowance of the interest deduction in the financed annuity and bond situation. It will also help substantiate financed insurance situations. Furthermore, with respect to the latter, the business purpose involved in the issuance of insurance is, as we have said in the past, another supporting factor in interest deduction.

Data Processing Seminar At N.Y.U. Is Designed For Non-Specialist Executives

A 12-session seminar on principles and applications of electronic data processing for the non-data processing senior executive will be conducted by New York University through the management institute of the university's division of general education. The sessions will take place on Wednesdays, 6:15-8:00 p.m., beginning Sept. 27, at a midtown New York location to be determined later.

Lecturer for the seminar will be Robert V. Lewis, manager of administrative systems and services of General Foods Corp. and a lecturer for the division of education. Among the topics that will be discussed are stored program concepts, computer equipment criteria, systems analyses and evaluation, conducting a management analysis of a feasibility and systems study, programming techniques, systems operation and maintenance, the selection of hardware, return on investment analyses, new areas for computer applications, expanded computer usage and managerial and organizational considerations.

Fee for the seminar is \$100—\$95 plus a registration fee of \$5. Applications may be obtained from Mail Registration Office, Division of General Education, New York University, 3 Washington Square North, New York 3, N. Y.

Connecticut Mutual Agent Sets Company Sales Record

B. L. Hollis, agent for Connecticut Mutual at Crawfordville, Ga., has qualified for the company's Four Club for the 300th consecutive month. This means that he has sold at least four cases each month for the last 25 years, and in doing so has set a new record for Connecticut Mutual agents. He has five times as many policyholders in his files as there are citizens in his town.

Home Life Of N.Y. Scores August Production Gains

Home Life of New York's ordinary sales in August totaled \$16,308,000, a 19% gain over August of 1961 and the second best figure for the month. For the first eight months ordinary production amounted to \$140,655,000, a 6% increase.

Group production for the month was up over 500% and for the eight-month period gained 30%.

The over-all production increase for both ordinary and group for August was 45% and for the eight months was 10%.

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Men with management ability find new opportunities for growth with American United Life and its co-operative partnership philosophy.

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Richard M. Rausch (1)

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Lammert H. DeWeerth (11)
E. K. Hesselbring (10)
Harold C. F. Jeckel (3)
Robert C. Meyer (6)
Martin A. Moerbe (8)
John M. Park (12)
Harold T. Voigt (4)

Indiana

Paul W. Swanson (3)

Iowa

Alvin F. Bahlmann (2)
Eugene L. Christian (4)
Virgil H. Folkers, CLU (10)
Kenneth R. Fox (3)
Delbert L. Hartman (2)
Thomas R. Holm (1)
Frank J. Hummel (10)
Esther Kohagen (3)
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Gladys H. Marten (14)
Rudy R. Myers (3)
Gertrude Nybakken (6)
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George C. Rausch (9)
George A. Sneed (2)
Merle E. Sullivan (2)

Kansas

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Benjamin Nuss (1)
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Michigan

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Hilbert H. Hantelman (9)
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Harold W. Mattke (3)
Ben H. Ritter, Jr. (8)
Howard F. Ritter (8)
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Nebraska

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M. I. Crumrine (7)
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(1) indicates number of years the award has been won.

Lutheran Mutual LIFE INSURANCE COMPANY
WAVERLY, IOWA

McNamara-Kennedy Letters Show Medical Care Bill Will Have Top Billing In '61

An exchange of letters between Sen. Patrick V. McNamara, chairman of the Senate's special committee on aging, and President Kennedy reveals that a concentrated campaign to put medical care for the aged via the social security method on the law books will take place at just about the opening gun of the next session of Congress—if not actually earlier. In his letter, Sen. McNamara asked the President for some assurance that the Chief Executive will work to get the legislation through the 87th Congress and the President, in turn, said that it was his intention to recommend to the Congress that the legislation be given the highest priority next year. The

letters follow.

Dear Mr. President:

I am writing you to express my keen desire to achieve one of the major commitments that both you and I made in talking to the American people during the course of the past several years—passage of legislation that would assure them of adequate health services insurance during their retirement years.

This can be done effectively, of course, only by financing such insurance through our time-tested system of social security, which maintains the

dignity and independence of the insured.

My experiences and study, first as chairman of the Senate subcommittee on problems of the aged and aging (of which you were vice-chairman), and now as chairman of the new special committee on aging, have convinced me of the priority and urgency of this proposal in the hearts and minds of our 17 million senior citizens and their families.

Public Support

Moreover, all indications are that the public at large strongly supports the proposal. My mail and my personal contacts indicate a strong feeling that Americans—young and old—are more than ever in support of a social security-financed health insurance program.

Little more than a start has been made upon this necessary legislation during the current session of the Congress. It is apparent that no definitive action will be taken by the Congress this year before adjournment.

In view of this, I believe that an assurance from you expressing determination to pursue this subject with all possible vigor, when the Congress convenes again next January, would be warmly welcomed both by the supporters of this legislation and the millions of Americans it would benefit.

Further, it would serve to stimulate a prompt beginning to the planning for the next session that must begin soon so that this most necessary legislation may be enacted by the 87th Congress.

Sincerely,

Pat. McNamara, U.S.S.

President's Answer

The President's answer to Sen. McNamara appears below.

Dear Pat:

I consider adequate health care for our 17 million senior citizens one of our most important responsibilities. Medical costs represent the greatest of all threats to economic security in old age. The financial burden of illness and incapacity in later years constitutes an ever-present specter to almost every family. Inability to meet the costs of hospitalization or home care can destroy self-respect and deny the right to dignity and comfort after retirement.

Although everyone recognizes the threat presented by the possibility of serious illness in later years, savings for this purpose are often inadequate. Nine out of 10 persons over 65 are hospitalized at least once. The duration of their hospitalization averages two and one-half times longer than that of those under 65. I am convinced that only the social security system can furnish satisfactory protection against the costs of these illnesses. Small retirement incomes are usually inadequate to cover the premiums required to obtain a sufficient amount of private insurance.

Only Mechanism

The theory of using earnings during the most productive years to purchase protection during retirement years has been tested and proved. This is the social security approach. I know you share my view that it is the only mechanism that can satisfy the need, insure protection, and be financially sound.

I have followed with considerable interest the hearings held by the committee on ways and means of the House of Representatives on this subject. The testimony incontrovertibly establishes the need for the legislation. Our national responsibilities re-



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quire prompt and effective action.

I wholeheartedly agree with your belief in the importance of this legislation to our nation. It will relieve some of the most serious hardships old age, it will enable the worker to look forward with confidence to his ability to take care of himself, it will help solve many problems of family living. I consider the proposal to provide health insurance for the aged under social security one of the most important measures I have advocated. Your support is very much appreciated and I assure you that I intend to recommend that this legislation be given the highest priority at the next session of Congress.

Sincerely,

(s) John F. Kennedy

August Is Shenandoah Life's Best Month Ever In Paid Ordinary Sales

Shenandoah Life's paid for ordinary sales in August totaled \$4,517,000, a record, exceeding the previous high by \$500,000 and representing better than a 50% increase over the August, 1960, figure. The results were part of a sales campaign honoring G. Frank Clement, Shenandoah president.

New Iowa Handbook

A new Underwriters Handbook of Iowa has just been published by the National Underwriter Co. It provides complete and up-to-date information on the agencies, companies, field men, general agents, groups and other organizations affiliated with insurance throughout the state. Copies of the new Iowa handbook may be obtained from the National Underwriter Co. at 420 East Fourth Street, Cincinnati 2, Ohio. Price \$12.50.

Group Men To Hear Gerber

Illinois Director Gerber will address Chicago Group Insurance Assn.'s first luncheon meeting of the new season at the Illinois Athletic Club, Sept. 18.

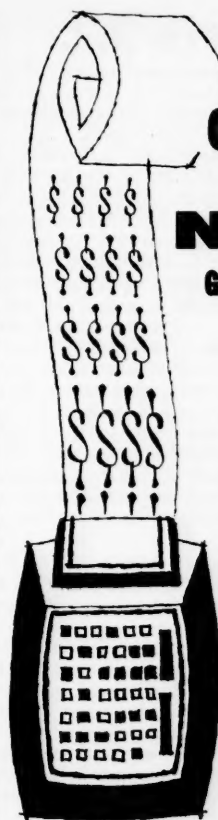
The company affiliation of David H. Payne, vice-president and general counsel Surety Life of Salt Lake City, was given erroneously as Security Life in the Aug. 12 issue. This was in conjunction with a story reporting his election as a vice-president of Federation of Insurance Counsel.



house of original ideas

The pride a Bankerslifeman feels in the company he represents stems in very large measure from the reputation his company has earned over the years for the introduction of really original ideas in the life insurance business. He is proud to say he was the first to carry the now popular *Guaranteed Purchase Option*, the *Cradle Protection* plan and the *Wife Protection Rider* in his brief case. Carefully chosen and thoroughly trained, the typical Bankerslifeman has service as his watchword. This means that his professional presentation of the new ideas from his company will see to it that his clientele gets optimum benefits from "The Company That Fits The Need."

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Complete your portfolio of protection by recommending business insurance to your clients. They need business insurance (statistics show that about 60% of American business is still without Business Life Insurance). With help from these new, modernized Textbooks and Illustrated Selling Brochures by H. P. Gravenegaard, it is as easy to sell Business Insurance as it is personal insurance ... and how those commissions add up!

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THE DIAMOND LIFE BULLETINS

Department of The NATIONAL UNDERWRITER CO.

420 EAST FOURTH STREET

CINCINNATI 2, OHIO

New Replacement Regulation Set For N. J.

(CONTINUED FROM PAGE 1)

sively fail to answer a question in the application.

Another way in which the promulgated regulation is stronger than the draft version is in the definition of replacement, which has been broadened to include not merely switches suggested by an agent but also those suggested by the prospect himself. This section reads: "For purposes of this regulation, the phrase 'replacement of an existing policy or policies' shall be deemed to mean a transaction connected with a suggestion by a licensee of this department or by the person being solicited for a policy that such existing life insurance should be terminated by lapse or surrender or that there should be a reduction either in the amount of such insurance or in the period of time for which insurance will thereafter continue in force."

The new regulation contains the same requirement as the draft version that life companies issue instructions to their agents incorporating basic rules and safeguards which are to be observed in preparing and using cost illustrations, comparisons, advertising and other promotional material, whether involving a proposed replacement or not. Copies of these instructions must be kept on file by the company and made available to the department on request.

Written Proposals Required

The section on written proposals being required where a replacement is involved reads:

"Every licensee of this department authorized to solicit the purchase of life insurance in this state, in soliciting an application where replacement of an existing policy or policies is involved, must present to the prospect a clear and concise summary of the advantages and disadvantages in making the replacement or change. Two copies of this written proposal must be retained for a period of two years, one by the licensee and the other by

an office of the company or its home office to which the licensee shall send one of these copies, and made available on request to the department. . . ."

Whenever replacement is involved, the agent must deliver to the insured the following notice:

"1. This notice to you is for your protection and is required by regulation No. 1 1961A-1 of the New Jersey Department of Banking and Insurance.

"If you are urged to purchase life insurance and it is suggested that you surrender or lapse or in any other way change the status of your existing insurance in the process, you are entitled to and should receive from the person soliciting insurance a written proposal signed by him setting forth all the pertinent facts bearing on the transaction and the advantages and disadvantages of changing to the proposed coverages.

"2. In every case, it is to your advantage to secure the advice and recommendations of your present life insurance company regarding the proposed replacement or change in such existing policies. You may secure this information by notifying your present insurance company or its agent about the proposed replacement or change. In the event the replacement or change suggested is presented by a person representing the company in which you already have existing insurance, you are entitled to secure the views of the home office of this company regarding the desirability of such replacement or change.

"3. If you are considering replacement of your present insurance, you are advised that, as a general rule, it is not to your advantage to drop or change any of your existing life insurance for the purpose of replacing it with new life insurance in the same or another company. Some of the reasons for this are as follows:

"(a) The issue of a new policy in-

volves relatively high initial or acquisition costs. To start paying such acquisition costs all over again on a new policy will cost more than to continue a comparable older policy.

Better Settlement Options

"(b) Older policies quite often contain certain provisions which are more favorable both to you and your beneficiary than those available in newer policies, such as, for example, provisions for life income settlement options and disability benefits.

"(c) Due to the customary contestable period (generally two years), it is possible that under certain circumstances a claim which would be payable under an existing policy would be denied under a new policy.

"(d) Your present insurance company can often make a desired change on terms which would be more favorable to you than if you replaced your existing insurance with new insurance.

"4. For the above reasons it is also generally not to the policyholder's advantage to put the original policy on reduced paid-up or extended term insurance in order to have sufficient funds to pay premiums on a new policy in the same or another company.

"5. There may be a few very occasional cases where a replacement might be to your advantage. However, your best protection in every case is to secure the comments and views of your present insurance company before arriving at any decision on such an important point."

K. C. Actuaries Elect Robinson

Kansas City Actuaries Club has elected Robert P. Robinson, Kansas City Life, president; John E. Toleman, National Bellas Hess, vice-president, and James M. Mortensen, Kansas City Life, secretary-treasurer.

Commercial Travelers Life and its affiliate, National Life, of Texas, were the first completed in Central Park Plaza, a new Dallas business complex.

New Chicago Handbook

A new Underwriters Handbook of Chicago and Cook County has just been published by the National Underwriter Co. It provides complete and up-to-date information on the agencies, companies, field men, general agents, groups and other organizations affiliated with insurance in this territory. Copies of the new Chicago and Cook County handbook may be obtained from the National Underwriter Co. at 420 East Fourth Street, Cincinnati 2, Ohio. Price \$12.50 each.

Knights Life Holds Annual Sales Meeting

Knights Life of Houston made its 1961 production awards to its agency force at New Orleans during the company's sales seminar. The meeting was held jointly with its sister company, American General Life of Houston.

Roy O. Sorensen, Bancroft, Neb., was named outstanding agent, as he has been for all the five years that the company has made the presentation. Lee Mowery, Wichita, was presented with the improvement award, and Dale Stoner, Chadron, Neb., was named outstanding new agent.

The members of the 1961 Knights of the Round Table, comprised of the company's leading twelve producers were also announced. These included Mr. Sorensen, Ernest W. Dringman, North Platte, Neb., Fred Leiker, Newton, Kan., Mr. Mowery, R. B. Herrington, Fort Collins, Colo., H. Don Cochran, Valentine, Neb., Glen N. Holmes, Van Nuys, Cal., Lester Hanssen, Summit, S.D., Mr. Stoner, Eugene Gillett, Topeka, Harold Isburg, Chamberlin, S. D., and Sam H. Shipley, Dodge City, Kan.

The president's trophy, given semi-annually to the outstanding agency in the company, was presented to the Kansas Agency, managed by James Theis.

OK GALU Stock Split

Stockholders of Great American Life Underwriters have been advised in a letter from President Charles E. Becker that the proposal to increase authorized class A, B and C shares to provide for and authorize an 11 for 1 stock split was approved by a vote of 59,561 to 112½ A shares and unanimously by class B and C shares, with 82% of class A stock represented.

The new shares from the split will be issued to stock of record Sept. 15 and will be mailed Oct. 16.

Mr. Becker calls attention to a comment he made at the meeting that the net asset value of class A stock increased from Dec. 31, 1957, to Aug. 23, 1961, from \$713.56 to \$2,465.43.

A suit charging Great American Life Underwriters with "illegal and void" stock voting has been filed by Mrs. Dorothy Hennessey, Montclair, N. J., in district court of Bexar County, Tex. She alleges that Mr. Becker without proper authority issued 75,000 shares of class C stock and by such act obtained majority voting of GALU. The petition said all class C stock is owned by Mr. Becker. The suit asks that Mr. Becker be permanently enjoined from voting any of his class C stock.

Mrs. Hennessey had previously been in a suit involving GALU when she sought to have the SEC approval of GALU's exemption from the investment company act set aside. She was unsuccessful in this effort.

Washington National Insurance Company 50 years old... and not a s

All American L&C. Holds Annual Rally: 300 Producers On Hand

Three hundred leading producers of All American L&C. attended the annual sales meeting at the Edgewater Beach Hotel, Chicago. Twenty-one of the 41 states in which the company is licensed were represented—the farthest being Hawaii. The convention got under way on a Monday with a general session, during which E. E. Ballard, president,



E. E. Ballard

pointed out that the company has more than \$230 million of life insurance in force and anticipates approximately \$300 million by year-end. Expansion has also continued rapidly in the health field, he said, and it is anticipated the premium from this business will exceed \$6 million at the end of 1961. Total premium is expected to be about \$11 million.

Guest speaker at the general session was Hal L. Nutt, director of Purdue Institute, who discussed "Men, Money and Motivation." Tuesday, there was a panel on "Quality Counts," moderated by John N. Metropulos, Illinois regional vice-president, Park Ridge, Ill. "What's New!" was the subject of a seminar on Wednesday moderated by Harold A. Lanigen, regional vice-president of Florida and Georgia, and Thursday a workshop was held for general agents under the direction of R. E. Main, vice-president and agency director. Friday, the field committee held its semi-annual meeting.

Even the wives got into the work pattern at the meeting and held their own sales seminar entitled "The Power Behind the Throne." Mrs. John Metropulos moderated the panel. Banquet

speaker was Carl C. Winters, lecturer, General Motors, who gave an inspirational talk on "Opportunities Unlimited," and President Ballard climaxed the occasion, by announcing that the next annual convention will be held in Honolulu "in celebration of the \$500 million of life business we expect to have in force by that time."

Mr. Main was convention chairman, assisted by Alice R. Mosley, advertising and sales promotion manager; Richard J. Donaldson, executive vice-president, and R. Dean Ballard, agency administrator.

Northwestern Mutual Holds 'Graduation' For Actuaries

Eighteen college students taking part in an intensive 11-week institute on actuarial science at Northwestern Mutual Life received their certificates of completion from Victor E. Henningsen, actuary, who appeared in cap and gown in the role of dean of "NML's College of Actuarial Knowledge."

The student group, which included three coeds, participated in a summer training course conducted by James C. Hickman, professor of actuarial science at Iowa State. This is the second year of the actuarial program at Northwestern Mutual and the first when the instructor was available during the summer on a full-time basis for instruction and consultation. The participants were college students selected because of their superior mathematical aptitude.

General Life Stock All Sold

A public offering of 59,970 shares of stock in General Life of Milwaukee at \$4 a share has been oversubscribed. The 59,970 shares were part of a total new offering of 365,000 shares, with 16,600 shares to go to agents and district managers at \$3.25 each and 330,122 shares going to existing stockholders on a subscription basis at \$3.25. The remaining 18,278 unsubscribed shares, plus additional shares acquired

by the underwriters, Piper, Jaffray & Hopwood of Minneapolis, through the purchase of subscription warrants, made up the public offering.

American General Life Holds A Sales Seminar

American General Life presented its 1961 production awards to members of the agency force at the company's sales seminar in New Orleans. The meeting was held in conjunction with Knights Life, another life insurance member of American General group.

M. Eldon Berry, Baytown, Tex., was named outstanding agent for 1960-61. Mr. Berry is a three-time member of the Million Dollar Round Table.

W. W. Roark, Gilmer, Tex., received the improvement award. Harry Hall, Sterling, Colo., won the outstanding legation award, given annually to the leading second-year agent.

The president's cabinet, consisting of the company's 12 leading producers, are: Mr. Berry, H. Frank Bell, Abilene, C. M. Willoughby Jr., Liberty, Tex., W. E. Curry, Houston, Mildon L. Jacks, Henderson, Tex., John Elliott, Houston, Charles H. Flowers, Marshall, Tex., Leonard Prothe, Greeley, Colo., Charles D. Hart, Bryan, Tex., Coy Smith, Jacksonville, Tex., Frank Osburn, Oklahoma City, and C. E. Bryan Jr., Corpus Christi.

Also, the president's trophy, given semi-annually to the outstanding agency in the company, was presented to the Houston City Agency, managed by Alfred J. Pratkanis.

Seattle Actuaries Elect

Edward E. Scribner, Northern Life, has been elected president of Seattle Actuarial Club. Others elected were David R. McCord, Farmers New World Life, vice-president, and D. Alan Little, Sunset Life, secretary.

Five new members were accepted at the meeting increasing membership in the organization to thirty.

LIAMA Annual Meeting Theme: An Examination Of The Agency System

The theme for the annual meeting of LIAMA in Chicago, Nov. 7-10, will be "The Agency System—an Appraisal."

Some of the typical questions to be examined during the meeting will be: Is our agency system as good as we think it is? What effect will the increasing cost squeeze have on it? What effect will the various marketing approaches have?

Meetings of most of LIAMA's committees will take place on Tuesday during the meeting. Five general sessions will be held Wednesday, Thurs-



Lewis W. S. Chapman, director of company relations of LIAMA, left, discusses plans for the association's annual meeting in Chicago, Nov. 7-10, with Marvin E. Lewis, agency vice-president of Bankers Life of Iowa, who is also chairman of the committee in charge of planning the meeting.

day and Friday. The traditional fellowship luncheon is scheduled for Wednesday and a reception is planned for Wednesday evening.

The general sessions will include the customary legislative forum, a panel of agency officers discussing recent developments in their companies, and speeches by industry leaders and by Courtney C. Brown, dean of the graduate school of business of Columbia University.

Marvin E. Lewis, agency vice-president of Bankers Life of Iowa, is chairman of the annual meeting committee.

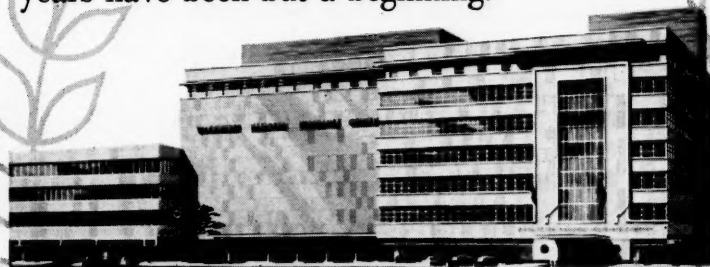
Hold Estate Planning Forum At Wichita, Kan.

The third annual estate planning forum sponsored by the Zackary agency of Mutual Benefit Life, Wichita, Kan., was held there in Hotel Lassen and has as its theme "Property Transfer and Stewardship." Attendance of nearly 100 persons included business men, accountants, attorneys and trust officers. Guest panel members were George B. Gordon, director of advanced underwriting services, Mutual Benefit Life; David P. Wood Jr., partner in the Chicago law firm of McDermott, Will & Emery, and Charles W. Kappes Jr., counsel Mutual Benefit Life. All three are nationally known in the field of estate planning.

Others Who Assisted

In addition to Fort A. Zackary, general agent, other key figures (all of Mutual Benefit Life) who assisted in the planning and conduct of the seminar are Jack Lipe, W. J. Higgins, Larry Krehbiel and E. C. Kenagy of the agency; Garrett J. Seaton of Parsons, Kan., and M. V. Colt and D. B. Pfutzenreuter, who are developing a campus agency at Kansas University.

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services to our policyowners for half
a century, our philosophy is as modern as
tomorrow. Still young in spirit, the past 50
years have been but a beginning.



We will continue to serve and satisfy our
policyowners in the future as well as
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...and not a sign of age

Magazine Tells How Widow Is Helped By Insurance Money

(CONTINUED FROM PAGE 10)

slanted to encourage the Post's 6.5 million subscribers and newsstand purchasers to review their life insurance programs, the editorial comment at the end of the article singles out the financial side of her story as a good example of how Mrs. Coit does not resemble other widows. The magazine reports on a Social Security Ad-

ministration survey on the solvency of the average new widow. Of those receiving social security benefits, 18% of all widows were "totally in debt" when their husbands died, and 13% had no debts or assets of any kind. More than half had no assets of a liquid nature, although about the same number had an equity in a house.

The Post further quotes the survey as showing that widows with children to care for are equally exposed. Almost 9% of these are covered by less than \$1,000 in life coverage, and 21% are not covered at all. Only 3½%

had more than \$10,000.

Mrs. Coit, the Post points out, is one of a distinct minority of women who are left with financial security.

Nw National Has Record August

Sales of new life insurance in August by Northwestern National Life set a new company record for the month. Total sales were \$17,311,749, or 7.2% ahead of August a year ago. The company also recorded its best month in health insurance sales with 345 applications totaling more than \$28,000 in annual premium.

Policies Issued Same Day Apps Received By Pan-American Machine

Pan-American Life has instituted a policy whereby all new submitted policy applications will be processed on the company's new 7070/1401 computer system the same day the application is received at the home office.

Borne Boudreaux, statistical and administrative services operation manager, said "This is a completely new concept and system. To the best of our knowledge we are the only company able to issue any and all necessary records on any policy in our portfolio by electronic computer system from initial writing only."

According to Pan-American data processing officials, this is also the first time in the life insurance business that all types of policies a company sells can be processed and issued automatically the same day the application is received.

Other officials of the company said that this move is the first in a series of concepts and systems planned for the electronic computer system that will eventually enable Pan-American management to set goals based on information acquired through the use of the system.

Said President John Y. Ruddock, "By use of this system and information acquired from it, we will be aided even to the point of decision-making. It will eventually take the guesswork out of decision-making."

United Bankers Life of Dallas has designated September as president's month and will attempt to set company sales records in premium, volume and applications.

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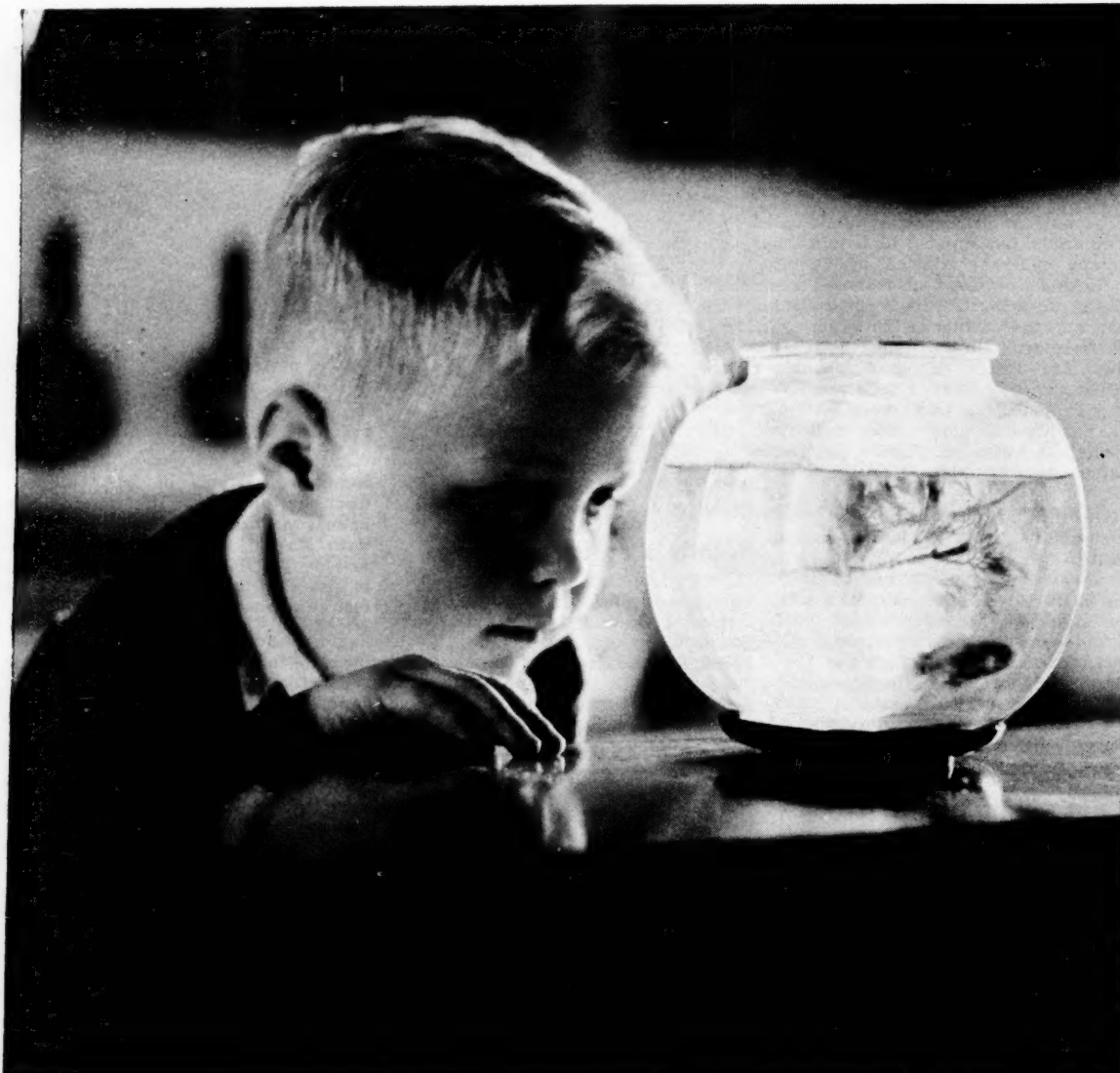
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Changes In The Field

Lincoln National



D. H. Beerman

D. H. Beerman has been appointed general agent at Toledo. A graduate of Lincoln National's management development program, he succeeds Ordine M. Heine, who is retiring to resume post-graduate study and obtain a Ph.D. in philosophy. Mr. Heine has been general agent at Toledo since 1953.

Mr. Beerman joined Lincoln Life in 1958 at Fort Wayne and a year later was appointed an agency supervisor there, holding this post until his new assignment.

Bert Richman has been appointed supervisor of the W. R. Beardslee agency, Montclair, N. J., and N. W. Timmerman to a similar post in the O'Neal agency, West Palm Beach. Mr. Richman entered insurance in 1957 and joined Lincoln National in 1960. Mr. Timmerman joined Lincoln National in 1958.

Federal L.&C.

James J. Cunningham has been named general agent in Port Orange, Fla. He will specialize in mortgage completion programs through savings and loan associations. He has operated his own agency in San Francisco for two years and before that was with Ter Bush & Powell agency of Schenectady.



J. J. Cunningham

Standard Of Oregon

Barnes Rogers has been appointed associate manager in the Salem agency. He has been in the life insurance business in the Salem area since 1953. He recently completed all of the requirements for the CLU designation.

State Mutual Life

J. Ross Griffing has been appointed manager of the group office at Kansas City. He has been assistant group specialist at New Orleans for Mutual of New York. Before that he was group manager at Dallas for Zurich and a group producer with Pacific Mutual.



J. Ross Griffing

Robert A. Lovlien has been appointed manager at Portland, Ore. He entered the business with Canada Life and has been an agent, unit supervisor and brokerage supervisor in southern Oregon.

General American

Edward C. Eckhoff has been named an assistant district group manager in St. Louis and Raymond Kann district group manager in Kansas City. Mr. Eckhoff joined the company in 1952

and in 1958 was made district group manager in Kansas City. He is relinquishing the Kansas City post to return to St. Louis for personal reasons. Mr. Kann has been a group representative in Los Angeles.

Walter Miller, in charge of agency organization in St. Louis, has been named district group manager in Hous-

ton. He is a CLU. Associated with him will be John Gossett, group representative.

Employers' Life Of Boston

Gordon Anthony has been made brokerage supervisor at Jacksonville, Fla. He has been with Prudential there.

Massachusetts Mutual

Norman W. Rowley has been made brokerage manager of the Miller agency, Philadelphia. Before joining the

agency eight years ago, he was an agent, unit manager, general agent and training director for Penn Mutual at Philadelphia. He is past president of Philadelphia Assn. of Life Underwriters.

Connecticut General

Eugene E. Larson, head of group pension operations at Buffalo, has been named assistant district group pension manager at Chicago.

Thomas J. Heyer, brokerage consultant at the northwestern Los Angeles

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At American Health there is always room for enthusiastic and carefully selected agents who enjoy good reputations in their own communities, and who want to move ahead in a satisfying, rewarding career. Our own progress is built on representation by such agents.

If these ideas make sense to you, if you think you might like to put yourself in our picture, we'd like to tell you more about the *American Health Story*.



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brokerage agency, and William E. Sweeney, brokerage consultant at the Oakland and San Francisco brokerage agency, have been made senior brokerage consultants.

Alfred B. Carter, Jr., Miami, and Robert M. Mabry, Los Angeles, have been named staff assistants in their respective cities.

Fred C. Jackson has been made brokerage consultant at the Charlotte, N. C., brokerage agency. He has been in the home office group sales department since 1959 and before that was

a group service representative in Columbus and Cleveland.

Occidental Of Cal.

J. M. Blankfeld has been advanced to assistant manager of the west Los Angeles branch office. He replaces Jack Carroll who has become associated with the company's C. L. DeVries general agency in Los Angeles. Mr. Blankfeld has been in the west Los Angeles branch since 1959 and previously was with John Hancock.

A new general agency has been

established at Englewood, Colo., a suburb of Denver, with Philip W. Nearing as general agent. He entered the life business in Denver in 1954 with Metropolitan Life and for five years was assistant manager.

Northwestern National

Charles Ferrill, district manager at Jonesboro, Ark., has been appointed manager of the Memphis agency.

The company has begun operations in Honolulu and Thomas Koki has been appointed general agent. A mil-

lion-dollar producer, he was formerly an assistant agency manager.

Wisconsin National



L. G. Karel

Leslie G. Karel has been named regional superintendent of agencies for Indiana, Ohio, and Kentucky. Mr. Karel was with Occidental Life of California as agency supervisor and assistant general agent and with Michigan Life as general agent, in northern Michigan.

Pacific Mutual

Norman J. Nicolay Jr. has been named manager of the Detroit group office. He replaces John P. Harriman who takes over Pacific Mutual's group operation in San Diego. Mr. Nicolay joined Pacific Mutual in 1957 in the Detroit group office.

Midland National

J. C. Beottcher has been appointed general agent at Lincoln. Wilbert G. Bartz becomes general agent in Bismarck. William S. Crain has been named general agent at Watertown, S. D.

John Hancock

Ralph J. Pizzuto, assistant district manager at Bridgeport, has been made regional supervisor of the Long Island and Connecticut region, with offices at Bridgeport.

Georgia International Life

C. Lawton Smith has been made general agent at Dallas. He has been a general agent for American United Life and Farmers & Bankers Life of Kansas.

Prudential

Herbert Muehl, an agent since 1959, has been promoted to agency assistant in the North Shore agency, Evanston, Ill. Alfred Gliemi is manager.

Provident Mutual Life

Jackson R. Eddy has been made district manager at the Los Angeles regional group office. He has been a home office representative in Los Angeles.

William C. Cable has been made district group manager at Greensboro, N.C. He has been home office group representative there.

TEXAS RESERVE LIFE of San Antonio has opened an agency in Austin, with Robert B. Porter as manager.

CALHOUN LIFE has made Charles E. Rogers general agent at Charleston.

A Service Guide A

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Well-balanced General Agent's Contract providing liberal overwriting and liberal expense allowance.

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Friendly, effective Home Office assistance to help you in your Recruiting, Training, and Agency Building Program.

AGENCY-BUILDING OPPORTUNITIES in:
Alabama, Arizona, California, Delaware, Florida, Georgia, Illinois, Indiana, Iowa, Kansas, Kentucky, Maryland, Michigan, New Jersey, North Carolina, Ohio, Pennsylvania, Texas, Virginia, Washington, D.C., and West Virginia.

COLUMBUS MUTUAL
Life Insurance Company
Columbus 16, Ohio
Frederick E. Jones, President Fred C. Adams, Supt. of Agents

YOUR FUTURE FORTUNE

Home Office Changes

Franklin Life



R. A. Frederick

Russell A. Frederick, administrative vice-president, will retire Oct. 1 after 38 years of service. His promotion to assistant actuary in 1940 was followed by advancements to assistant secretary in 1942, secretary in 1943, and administrative vice-president in 1949. A director of Franklin Life since 1944, Mr. Frederick was the originator of utilizing giant electronic computers in American industry, Franklin Life having purchased the first non-governmental Univac system. He is chairman of the home office administration committee of American Life Convention.

Mutual Of New York

Richard L. Bushey, home office agency assistant, has been made supervisor of cashier training, a newly created position. He joined the company in 1935 and was cashier at the Philadelphia agency for nine years before joining the home office staff in 1957.

Republic National



Ross Wallace

Ross Wallace, special reinsurance representative since 1959, has been raised to head the group coinsurance operation of the reinsurance division. He will be primarily responsible for administering and coordinating the group reinsurance services.

National Life Of Vt.

Oliver W. Horsman, assistant director of sales promotion, has resigned to join the McAuley agency, Albany, as an agent. Before joining the company he was assistant account supervisor in the advertising and sales promotion department of Worthington Corp. and a salesman for Tidewater Oil Co.

Federal L.&C.

John F. Sare joined the home office staff as group sales supervisor. He has represented Zurich in Grand Rapids for 10 years, specializing in group sales for western Michigan and northern Indiana.

Mutual Benefit Life

Guy C. Bosetti Jr., has been appointed attorney. He has been with the firm of Stryker, Tams & Dill in Newark.

Liberty Life Of S.C.

Ben C. Bishop has been made assistant vice-president, investment department. He was with a real estate firm in Atlanta before joining the company in June.

Carrol C. Jones and Fletcher W. Martin have been made assistant treasurers, investment department. Mr. Jones was in the audit department for a year before becoming a mortgage loan officer in 1959. Mr. Martin joined the loan department in 1958.

J. Marion Rogers has been made as-

sistant secretary, ordinary policyholders service department. He has held positions in the supply, accounting and microfilm departments and is a fellow of the Life Office Management Assn. Institute.

Fidelity Mutual



Esther Johnson

of the Philadelphia Actuaries' Club.

Miss Esther Johnson, actuary, has retired. She was the fourth woman to receive a fellowship in Society of Actuaries. She joined the company in 1920, was made an assistant actuary in 1930 and actuary in 1959. She is a charter member

Travelers

Dr. Clair Gilbert Prindle has been made assistant medical director. He has been in private practice at Maysville, Ky., since 1939 except for service as a flight surgeon during World War II.

Farmers & Bankers Life



Bruce A. Nichols

public relations, recruiting education and field training.

Bruce A. McNichols has joined the company as director of agencies. He had been director of training in the home office agency department of Washington National. Before that he was with Mutual of Omaha in agency operations, sales promotion,

Allstate Life

Roy R. Anderson has been elected vice-president and Paul J. Overberg has been appointed actuary of Allstate Life and its affiliate, Cross Country

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General Agent is in
the Pension Field...*

are you?

YOU NOW HAVE available to you, through your General Agent, a new and outstanding Pension and Profit Sharing Program—one that is especially designed for selling to the small employer.

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A complete program that embodies these important features...

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- And—full commissions.

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THE OLDEST STOCK LIFE INSURANCE COMPANY IN AMERICA

A story of . . . **GROWTH** and **PROGRESS**

	Admitted Assets	Insurance in Force
1940	\$905,064	\$7,703,483
1950	\$6,527,300	\$34,552,332
1955	\$12,494,145	\$45,169,420
1960	\$20,638,209	\$66,447,298

Present Assets over \$21 Million
Over \$70 Million Life Insurance in force.

As the western U.S. increases in economic importance, BANKERS UNION LIFE keeps pace with the trend.

Investigate our profit sharing contract and non-forfeitable renewals. Operating in 13 states, offering ordinary life on par and non-par plans.



BANKERS UNION LIFE INSURANCE COMPANY

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DENVER 6, COLORADO

C. B. McCormick, President

Life. Anderson joined Allstate in 1959 as chief actuary and pricing director. Mr. Overberg recently joined Allstate from Security Mutual Life of Binghamton, N.Y., where he served as group actuary.

Bankers L.&C.

Herbert B. Thompson has resigned as vice-president of Bankers L.&C. and its affiliates. He announced the move was made solely for "personal reasons." He has been vice-president of the parent company since 1953. Mr. Thompson also has resigned as mayor

of the city of Palm Beach Gardens, Fla., a municipal development of John MacArthur's, president of Bankers L.&C.

Mr. Thompson formerly was chief deputy of Michigan. He presently is associated with the Chicago law firm of Michaels & Johnson, specialists in corporate and insurance law.

Fidelity Union, Dallas

R. Hubbard Hardy has been promoted to general counsel and secretary. He has been a vice-president and secretary. He succeeds H. B. Houston Sr., counsel, who died earlier this year.

Mr. Hardy joined Fidelity Union in 1930.

R. Harold Parker has been made senior vice-president in charge of insurance operations. He was with Fidelity Union from 1931 to 1955 when he went with Consolidated American Life of Houston (now a part of Lincoln Liberty Life of Lincoln, Neb.) and rejoined Fidelity Union Sept. 1.

Bankers Security Of D.C.

William J. Moore, vice-president and controller, has been made vice-president-finance.

Robert J. Westendorf, treasurer, has been made vice-president-administration.

Raymond P. Seastream, auditor, has been made treasurer.

John W. Lynch, assistant controller, has been promoted to controller.

Shirley L. Shirk, supervisor of accounting, has been made auditor.

Richard R. Pryor, supervisor of supply, has been made manager of agency services.

Doris Campbell, assistant supervisor of accounting, has been made supervisor of accounting.

Pacific Mutual Life

William E. Fortmueller has been named chief health insurance underwriter. He will now direct the selection and rating of health insurance applicants, and train new underwriters in this field. Mr. Fortmueller joined Pacific Mutual in 1939 and has also been active in its claims and treasury departments.

Prudential

Two men have been promoted to managerial posts in the public relations and advertising department at Minneapolis: W. William Hodgson to information manager and John P. Marwin to advertising and sales promotion manager. Both men have been with Prudential four years.

Milford W. Schueler, general manager, investments, at the north central home office in Minneapolis, has been promoted to executive general manager, investments, there.

Conventions

- Sept. 17-20, International Claim Assn., annual, The Greenbrier, White Sulphur Springs, W. Va.
- Sept. 18-22, Assn. of Superintendents of Insurance of the Provinces of Canada, annual, Fort Garry Hotel, Winnipeg.
- Sept. 20-22, Life Insurance Advertisers Assn., annual, Sheraton-Dallas Hotel, Dallas.
- Sept. 24-29, National Assn. of Life Underwriters, annual, Denver Hilton Hotel, Denver.
- Sept. 25, Fraternal Actuarial Assn., annual, Netherland Hilton Hotel, Cincinnati.
- Sept. 25-27, Life Office Management Assn., annual, Shoreham Hotel, Washington, D. C.
- Sept. 25-27, National Fraternal Congress, annual, Netherland Hilton Hotel, Cincinnati.
- Oct. 9-10, Conference of Actuaries in Public Practice, Sheraton-Blackstone Hotel, Chicago.
- Oct. 9-13, American Life Convention, annual, Edgewater Beach Hotel, Chicago.
- Oct. 10, Insurance Economics Society, annual, Edgewater Beach Hotel, Chicago.
- Oct. 11, CLU seminar, Marquette University, Milwaukee.
- Oct. 17, CLU seminar, Washington Athletic Club, Seattle.
- Oct. 18-20, Institute of Home Office Underwriters, annual, Jung Hotel, New Orleans.
- Oct. 26-28, Midwest Management Conference, annual, Sheraton Hotel, French Lick, Indiana.
- Nov. 7-10, Life Insurance Agency Management Assn., annual, Edgewater Beach Hotel, Chicago.

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NEW "INCOME PROTECTOR" PLANS

- Non-can and Guaranteed Renewable to 65
- Broad selection of waiting and benefit periods
- AD & D benefit automatically included
- Partial disability benefit automatically included
- Retroactive waiver
- Two years "own occupation" clause

EXCLUSIVE "EXTRA INCOME" BENEFIT

Unique Phoenix Mutual rider provides additional income for period prior to Social Security benefits or prior to standard 6-months life insurance disability income.

*Subject to approval in some States.

PHOENIX MUTUAL LIFE INSURANCE COMPANY

OF HARTFORD, CONNECTICUT



home office in Minneapolis, has been promoted to executive general manager, investments, there.

Home Life Of New York



William C. Petty Jr.

William C. Petty Jr. has been made an officer, with the title of director of field administration. In 1948 he was made assistant manager at Huntington, W. Va., and in 1955 was made manager there. Last year he went to the home office as executive assistant in the sales department. Charles A. Murphy has been made director of field training. He has had five years of experience in training and agency

the company for eight years as assistant secretary, sales secretary, and director of agency service, and is now director of personnel and home office services. Ralph G. Norman has been elected assistant vice-president of the savings and loan insurance department.

GROUP HEALTH MUTUAL of St. Paul—Jerry Kemp has been promoted to assistant sales training supervisor and will work with Robert Florin, head of the training department.

GIRARD LIFE—William Gore and Woodrow Deason have been appointed

assistant superintendents of agencies. The former has been home office supervisor and the latter assistant agency director.

CUNA MUTUAL has named M. F. Gregory executive assistant managing director. He has been in charge of the society's policyholders program since 1956.

AMERICAN CAPITOL of Houston—Richard Parrish Jr. has been elected vice-president and director of agencies. Formerly director of agencies, he will now direct agency activities in the

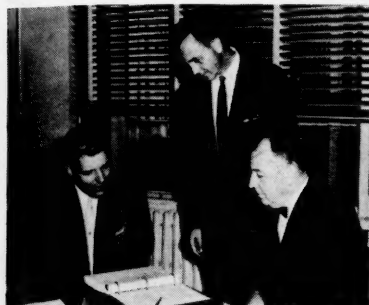
seven states in which the company is entered.

INVESTORS SYNDICATE LIFE & ANNUITY has named J. R. Pickering associate actuary. He joins the company after having been with Mutual Life of New York for the past eight years.

TEXAS LIFE has appointed R. D. Fraizer chief underwriter; Horace G. Jacks Jr. agency secretary and D. E. Parke and Louis C. Hill field directors.

Russell L. Buck, Freeland, Mich., was top agent for Gleaner Life during August.

THESE MEN HAVE RECEIVED NEW ENGLAND LIFE'S ULTIMATE DISTINCTION ...THE VANGUARD AWARD



Left to right: William B. Wallace, Walther S. Stephenson, and Charles A. Murphy.

director, and before that he was manager at Boston. He joined the company at Providence, becoming manager there in 1936.

Walther S. Stephenson and William B. Wallace have been made directors of agencies. Mr. Stephenson joined the company in 1949 and was made agency assistant in 1951. He spent four years at Philadelphia becoming assistant manager there in 1954. Since 1956 he has had various assignments in field training and agency direction.

Lutheran Brotherhood

William H. Klausen has been named assistant director of marketing and research. In addition to his new duties, Mr. Klausen will continue as director of sales promotion. He joined Lutheran Brotherhood in 1958.

Lincoln National Life

Martin D. Johnson, general auditor, has retired after 40 years with the company. He started as an assistant controller and in 1926 was named chief accountant. In 1934 he became general auditor.

Pilot Life

James Batt has been appointed management assistant in the management development program. Before joining Pilot he was division manager for Prudential at Cleveland.

MIDLAND MUTUAL—Russell Line has been appointed assistant actuary. He received his master's degree in actuarial science from the University of Michigan.

UNIVERSAL L. & A.—William H. Seay, with the company since 1957 and executive vice-president since March of this year, has been named president, director, and member of the executive and finance committee.

Robert T. LaFollette Jr., has been elected a director of **NATIONAL OLD LINE** of Little Rock. He has been with



William J. Ackerman, C.L.U.
Alexander Alex, C.L.U.
Edwin L. Baxley, C.L.U.
John H. Brady, C.L.U.
Frank E. Brennan, C.L.U.
George B. Byrnes, C.L.U.
Harry W. Castleman, C.L.U.
Robert K. Clark, C.L.U.
W. E. Gehman, C.L.U.
George H. Gruendel, C.L.U.
Paul A. Hazard, Jr., C.L.U.
Lambert Huppeler, C.L.U.
Sigmund M. Hyman, C.L.U.
William B. Jadden, C.L.U.
Mason Klinck, C.L.U.
William H. McCoy, C.L.U.
Alfred E. McNeill, C.L.U.
Kenneth Mackenzie, C.L.U.
David Marks, Jr., C.L.U.
Leo P. Mirsky, C.L.U.
Edmond J. Nouri, C.L.U.
John Phillips, III, C.L.U.
D. Miley Phipps, C.L.U.
Harry A. Pledger, C.L.U.
James H. Prentiss, Jr., C.L.U.
Richard B. Ripley, C.L.U.
Millard A. Samuel, C.L.U.
William R. Sapers, C.L.U.
William Shelton, Jr., C.L.U.
Henry F. Silver, C.L.U.
Henry Stockman, Jr., C.L.U.
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Asa F. Voak, C.L.U.
Walter G. Wegner, C.L.U.
John C. Zimdars, C.L.U.

Each is a Chartered Life Underwriter...a Life Member of the Million Dollar Round Table...a Life Member of New England Life's Leader's Association...a member of our Hall of Fame. ■ Each outstandingly exemplifies our concept of the New England Life "man of opportunity." And we find no little satisfaction in the knowledge that the quality of their product has contributed much to their success.

NEW ENGLAND MUTUAL LIFE INSURANCE COMPANY:
ALL FORMS OF INDIVIDUAL AND GROUP LIFE INSURANCE,
ANNUITIES AND PENSIONS, GROUP HEALTH COVERAGES

NEW ENGLAND LIFE

Editorial Comment

What's Behind Those ALC News Beats

Those of you who read the ALC News Letter may have wondered why we trailed the News Letter by nearly a week in reporting such timely news as the American Life Convention's selection of its officer slate and, more recently, the program for its annual meeting.

Associations of ALC's magnitude usually make very sure that the weekly insurance newspapers get such information as officer slates and meeting programs well in advance of the press time for the desired general release date. Consequently, anyone reading our tardy accounts of these ALC announcements would be justified in wondering what caused the delay. Did the editor who was supposed to process the ALC news release just forget about it? Did we feel that the information was not important enough to make room for in a crowded issue and could just as well be held over until later? Members of ALC who are conscious of how fully and how promptly the weekly insurance papers publish the news of their organization would have a right to resent our apparent downgrading of ALC news to a "run when room" status.

For these reasons we want to make this emphatically clear: The delay in publishing these items of ALC news was entirely against our wishes. We were fully aware of their news value and timeliness and wanted to run them as early as possible. But the ALC headquarters sent out no news releases. Instead, it withheld the news from the insurance newspapers so it could appear first in the ALC News Letter.

This was done as a matter of considered policy, to be followed as standing operating procedure except for possible rare instances when the ALC management might consider that the advantages of getting a piece of information out to its members (and the industry generally) via the regular insurance press outweighed the supposed benefits of giving the ALC News Letter a "scoop."

Of course there's no law against

ALC or any other organization withholding news about itself from the insurance newspapers in order to make its own house organ look good. But it is such a radical innovation that we want to be sure our readers know about it, so there will be no misunderstanding as to the value we place on ALC's news.

Incidentally, it seems strange that any organization would, by favoring its own house organ, make itself a battleground for competing editors, with news beats as the spoils. It is our impression that one of the main reasons why associations first set up publicity departments many years ago was to minimize the incentive for papers to compete with each other for news about these associations. This competition often resulted in publication of news that the organization considered premature, sometimes embarrassingly so.

But when publicity departments were set up and editors understood that all papers would be treated the same—including the organization's house organ, if any—there was little temptation for reporters to go stalking

for "exclusives." Editors are often regarded as crazy for "scoops," but virtually all news about associations is of such a character that if an editor can be assured that he won't be beaten he's willing to settle for a uniform general release date and not try to break the news ahead of time. Maybe the system hasn't fostered journalistic enterprise, but it has worked well for the associations.

However, when an association of national prominence adopts a news policy that brings back the old system of free competition, and editors become convinced that that's the way it's going to be, they have no choice but to set up their own private pipelines so as to get the organization's news at least as soon as it appears in the organization's own paper—and of course even sooner, if possible. Without the anti-scoop insurance of a general, even-Stephen release date for all, any newspaper that tries to print timely news faces considerably more than just the annoyance of being beaten by the association's captive publication. It must also protect itself against the obvious fact that other regular insurance newspapers don't relish having to print second-hand news and are going to take aggressive measures to avoid it in the only way open to them—by printing whatever information they can get, in the earliest possible issue. —R.B.M.

Show Up Replacers With Facts, Figures

In the letter that President Leland J. Kalmbach of Massachusetts Mutual has written its field force restating and clarifying the rules on replacing policies the statement is made that "when the replacement of permanent insurance in the Massachusetts Mutual (by another policy in the same company) is involved, cases will be carefully screened and questionable or borderline cases will be referred to the company's calculation department for analysis. If it appears that the replacement is not to the insured's advantage or that a change in existing policies is preferable to new insurance, a new contract will not be issued until the company has received from the policyholder a statement certifying that he reviewed the company's analysis and is fully aware of the disadvantages of

the proposed replacement."

The significant thing about the quoted statement, to our way of thinking, is the implication that there may be times when replacement may be to the insured's advantage. Nearly everybody in the business privately concedes that there are times, rare though they may be, when it is to the insured's advantage to make a change. But Mr. Kalmbach's is the first such concession we can recall as a responsible statement for publication.

We have long contended that the orthodox attitude that it's always against the policyholder's interest to replace has only served to play into the hands of the twisters and other professional replacers. The attitude has been that since it's always bad to replace, it is pointless to set standards

Deaths

RALPH H. RICE, 81, founder and former chairman of Lee National Life and founder and onetime president of National Fidelity Life of Kansas City, died.

MURRAY HALPERN, general agent of Citizens Life at New York, died suddenly.

Stocks

By H. W. Cornelius of Bacon, Whipple & Co.
135 S. LaSalle Street, Chicago, Sept. 12, 1961

	Bid	Asked
Aetna Life	131	133
American General	75	78
Beneficial Standard	39	41
Business Men's Assurance	85	88
Cal-Western States	101	104
Commonwealth Life	49½	51
Connecticut General	272	278
Continental Assurance	190	195
Franklin Life	116	120
Great Southern Life	116	120
Gulf Life	37½	39
Jefferson National	78½	79½
Liberty National Life	88	90
Life & Casualty	27½	28½
Life of Virginia	112	115
Lincoln National Life	142	146
National L. & A.	192	197
North American, Ill.	27½	29
Ohio State Life	51	54
Old Line Life	75	Bid
Republic National Life	76	80
Southland Life	158	163
Southwestern Life	113	116
Travelers	138	140
United, Ill.	60	62
U. S. Life	79	82
Washington National	64	67
Wisconsin National Life	44	46

Pacific Mutual Life's new headquarters building in Santa Ana, Cal., has been singled out by that city's chamber of commerce for its contribution to civic beauty. The building earned a perfect score in such award rating factors as the relationship of function to architectural design and the rigid maintenance of property and grounds.

by which one could determine whether a given replacement was good or bad for the policyholder. So the replacers have been having a field day with ingeniously contrived charts and figures, while little has been done by the anti-replacers to prove, with more accurate and convincing figures, that there are serious disadvantages in swapping life insurance contracts in almost every type of situation.

We hope that as the Massachusetts Mutual's calculation department works up these comparisons, the company will make them available to the insurance papers and others interested. It would be a real service to the industry, helping to draw a sharp line of demarcation between good and bad replacements. We have a strong conviction that from the policyholder's point of view the wise decision is usually to refuse to replace. We believe that most people in the industry have the same conviction. But the way to show faith of this conviction is not a paranoid insistence that all replacements are bad and should not even be analyzed. It shows a lot more faith to be willing to let the facts and figures—accurately arrived at in good faith—speak for themselves. It is also a more practical way of meeting the replacer's usually ill-founded sales pitch. —R.B.M.

THE NATIONAL UNDERWRITER

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of Life and A&S Insurance



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Call Ruling Invaluable For Benefit Plans

(CONTINUED FROM PAGE 8)

ruling should be referred to with care concerning any plan in which you are involved. References to life insurance are made throughout the ruling. However, part 2(d) contains the major life insurance comments. It is quoted below for your convenience:

Passages Are Quoted

"Life Insurance Benefits—A qualified plan may not provide only such benefits as are furnished through the purchase of ordinary life insurance contracts which may be converted to life annuities at the normal retirement date. See Rev. Rul. 54-67, C.B. 1954-1, 149. Life insurance protection may, however, be provided under a qualified plan provided that such protection is merely an incidental feature of the plan. In the case of a pension or annuity plan, the life insurance benefit is deemed to be incidental where the insurance protection is not greater than 100 times the monthly annuity, e.g., \$1,000 of life insurance for each \$10 of monthly annuity. See Rev. Rul. 60-83, C.B. 1960-1, 157.

Considers Profit-Sharing Plan

"In the case of a profit-sharing plan which provides for the use of trust funds to purchase and pay premiums on ordinary life insurance contracts, the insurance feature is deemed to be incidental if: (1) the aggregate premiums for life insurance in the case of each participant is less than one-half of the aggregate of the contributions allocated to him at any time, and (2) the plan requires the trustee to convert the entire value of the life insurance contract at or before retirement into cash, or to provide periodic income so that no portion of such value may be used to continue life insurance protection beyond retirement, or to distribute the contract to the participant. See Rev. Rul. 54-51, C.B. 1954-1, 147, as amplified both by Rev. Rul. 57-213, C.B. 1957-1, 157, and Rev. Rul. 60-84, C.B. 1960-1, 159. Where life insurance benefits are applied to reduce employer contributions under a pension plan, amounts contributed by the employer for such insurance constitute advance funding and are not currently deductible. See Rev. Rul. 55-748, C.B. 1955-2, 234."

As soon as we can obtain a sufficient number of copies of the ruling, we will distribute them to you. This

source material will be invaluable to you in avoiding pitfalls and developing sophisticated methods of qualifying employee benefit plans.

Schedule CLU Seminars For Milwaukee, Seattle

American Society of CLU has scheduled two CLU seminars in October—one in Milwaukee and the other in Seattle. The seminars will be sponsored by the CLU department on continuing education and the society's chapters in the two cities.

The Milwaukee seminar, Oct. 11, at Marquette University, will include William R. Huey Jr., assistant advanced underwriting consultant of Provident Mutual Life, who will speak on charitable giving in estate planning, and E. A. Starr, assistant agency vice-president and director of the advanced sales division of Connecticut Mutual Life, who will discuss profit sharing plans.

To Discuss Stock Redemption

On Oct. 17, the Seattle group will present as its guest speaker lecturer John R. Suckling, partner in the law firm of Pratte & Suckling and general counsel of the Woods agency of Massachusetts Mutual at Los Angeles. Mr. Suckling's topic will be stock redemption, for the morning session, and deferred compensation, non-qualified plans, during the afternoon.

Program arrangements are under the direction of Paul S. Mills, managing director of the society, and Joseph M. Belth, assistant director of the department of continuing education, with the cooperation of George A. Knutsen, Mutual of New York, chairman of the Milwaukee seminar committee, and G. W. Vradenburg, Equitable Society, president of the Seattle chapter.

A third seminar is planned for Miami, Jan. 26., at the University of Miami.

Mutual Of Omaha Agents Elect

R. B. Johnson, general agent of Mutual of Omaha and United Benefit Life was elected president of the companies' Western General Agents' Assn. at the annual meeting. He succeeds D. L. Acrea, Reno general agent.

National Travelers Life has been licensed in Georgia, Ohio, Tennessee and Virginia, bringing the total to 29 states in which the company operates.

Program Ready For Underwriting Forum

Subjects of discussion for the annual Leaders Forum for Advanced Underwriting, sponsored Jan. 7-12 at the University of Puerto Rico, Rio Piedras, have been announced by that school and the co-sponsor, University of Illinois.

Sunday will be devoted to registration and an open banquet. On Monday there will be a forum discussion in the morning on attracting and retaining key men through non-qualified life and health insurance plans. In the evening there will be an analysis of protecting business assets and income through life and health insurance.

Tuesday morning a forum discussion will consider the process of attracting and retaining key men through qualified pension and profit-

sharing plans. In the evening a panel will discuss use of the corporate dollar for life and health insurance.

Wednesday will be an open day with a trip to Dorado Beach and a Puerto Rican dinner in the evening. Thursday's forum will be on life and health insurance in real estate planning, with an evening session on use of the personal dollar for life and health insurance.

The concluding day will feature a morning panel on business health insurance and time management, and one in the afternoon on new frontiers in life sales, service and products.

Nelson & Warren consulting actuaries and pension consultants of St. Louis and Kansas City, has appointed Roy W. Aikman manager at Kansas City. Leroy McWhinney has been made pension consultant at Kansas City.



WELL-EARNED RECOGNITION

To increasing numbers of people — and most particularly to professionals in life insurance — CLU represents a true symbol of dedication and achievement. We salute all Chartered Life Underwriters and are particularly proud that so many members of the Fidelity Field have earned this outstanding recognition.



The FIDELITY MUTUAL LIFE Insurance Company
ON THE PARKWAY AT FAIRMOUNT AVENUE • PHILADELPHIA

NOW OPERATING IN 13 STATES

GROWING...

by LEAPS and BOUNDS

All Forms of Life and A & H Coverages for Individuals and Groups

KENTUCKY CENTRAL
Life and Accident Insurance Company

Garvice D. Kincaid, President

Anchorage, Louisville, Kentucky

A twin-coil artificial kidney was the first of several equipment gifts presented to Fort Wayne, Ind., hospitals by employees of Lincoln National Life, which has its home office in that city.

Shown at the presentation are, from left, William H. Andresen, chairman of Lincoln National's employees' committee; Joseph H. Rowden, company personnel director, and Mrs. Mary Schaub, the company's chief nurse.



Survey Studies Inflation And Insurance

(CONTINUED FROM PAGE 1)

invested in securities rather than buying life insurance in order to hedge against inflation. Those who did are almost all in the upper income brackets.

When asked about the advisability of owning life insurance before investing in stock, 70% agreed that people should have adequate insurance coverage first. However, only 54% believe that other people follow this advice.

People who have invested in stocks or mutual fund shares are more likely than non-investors to be owners of such fixed-dollar assets as savings accounts, government savings bonds, and life insurance. This result holds true regardless of income. Among the small proportion of investors who owned no individual life insurance, only 13% said they had rejected it because of preference for other investments.

The fact that people own stock or mutual fund shares does not mean they will not own life insurance or that they will let their life insurance lapse. In fact, the non-saver, more of-

ten than the saver, has dropped all his regular life insurance. This does not mean that the non-savers have developed a preference for variable-dollar investments. The more obvious interpretation is that the factors that produce a non-saver also produce an individual who drops all his coverage.

The major reasons for the increase in mutual fund share and stock ownership seem to be the over-all increase in wealth and the aggressive selling of the investment institutions, rather than a change in the public's attitude toward life insurance. From 1947 to 1959 the increase in real income of American families has been approximately 40%. The conclusion seems to be that there would probably have been a growth in equity ownership even without the urging to "buy term and invest the difference." The feeling that some of the risk of investing in stocks has been removed is another possible reason for the big growth of these investment media.

It would appear, LIAMA researchers conclude, that the investor is not a

person who has raided his life insurance and his fixed-dollar forms of savings to buy equities.

Tend To Divide Themselves

The results of this survey suggest that people tend to divide themselves more according to their ability to accumulate assets than by their preferred type of investment. This would indicate that it is more important to be sure a man understands his total need for life insurance, than to try to convert him from being a believer in stock to being a believer in life insurance. If he believes in investments he probably believes in life insurance. Once again, this finding points up the need to provide all agents with a strong foundation in the basic philosophy of life insurance so they will not fail to recognize the unique service they have to offer.

June Benefits Up 11% To \$739.2 Million; Half-Year Total Is \$4,353,600,000

Life insurance benefits totaled \$739.2 million in June, up 11% from a year ago, according to Institute of Life Insurance. Both death and living benefits for the month increased, each about the same percentage. For the first half of the year total payments were \$4,353,600,000, up \$294 million. The institute's breakdown of benefit figures for the month and for the half year follows:

	JUNE	1961 (000 Omitted)	1960 (000 Omitted)
Death Benefits	\$ 307,500	\$ 280,000	\$ 280,000
Matured Endowments ..	59,200	57,300	57,300
Disability Payments ..	11,700	9,900	9,900
Annuity Payments	63,800	60,800	60,800
Surrender Values	149,700	134,700	134,700
Policy Dividends	147,300	130,200	130,200
Total	\$ 739,200	\$ 672,900	\$ 672,900

	First 6 Months	1961 (000 Omitted)	1960 (000 Omitted)
Death Benefits	\$1,818,500	\$1,704,400	\$1,704,400
Matured Endowments ..	359,700	353,700	353,700
Disability Payments ..	67,200	61,900	61,900
Annuity Payments	396,400	372,400	372,400
Surrender Values	909,000	817,900	817,900
Policy Dividends	802,800	749,300	749,300
Total	\$4,353,600	\$4,059,600	\$4,059,600

Another Attempt To Change President Of Lutheran Brotherhood

MINNEAPOLIS—For the second time in two years an attempt is being made to unseat Carl F. Granrud as president of Lutheran Brotherhood. A similar attempt failed in 1959.

A special committee of more than 100 delegates has been organized to seek a special convention of the fraternal. A majority of the more than 1,300 delegates will be needed to call a special convention, one of the committee members said. General agents of Lutheran Brotherhood have voted to back Mr. Granrud but Gordon A. Bubolz, president Home Mutual Ins. of Appleton, Wis., one of the dissident directors, claims the agents were forced to do this or lose their jobs. Mr. Bubolz also charges that commissions of several thousand dollars have been paid to a Philadelphia investment firm of which a Lutheran Brotherhood director, Bertram M. Wilde, is a member. He said that came to light the past summer after National Assn. of Insurance Commissioners issued a statement dealing with possible conflict of interest situations.

Another complaint made by Mr. Bubolz is that an age limit of 65 years for society officers, established at the 1959 convention, is not being carried out. He said that the board of directors, on Mr. Granrud's recommendation, set aside the age rule. Mr. Bubolz said that four of the directors voting for the change in the rule were nearing the 65-year limit.

Blue Cross Seeks Tax Refund

Associated Hospital Service of Milwaukee has filed a claim with the city for \$53,654 for taxes paid under protest in 1960. The Blue Cross says it believes the taxes were wrongfully levied against it in that it is exempt from paying them as a "charitable and benevolent corporation."

WE'RE LOOKING FOR A MAN WHOSE GOAL IS GROWTH

We want to meet an ambitious, successful life underwriter with keen, good judgment. We know that he'll appreciate the SUN LIFE personal producing General Agent Plan. We're sure he'll make the best use of our sales assistance, training aids and home office cooperation.

If your "goal is growth," we invite your inquiry about SUN LIFE advantages. Just a few of these are:

- Top vested commissions with life-time service fees.
- Effective sales promotion with prompt, individual home office counsel and assistance.
- Complete diversified kit of competitive, low-cost policies.

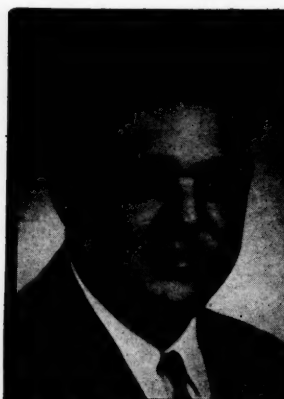
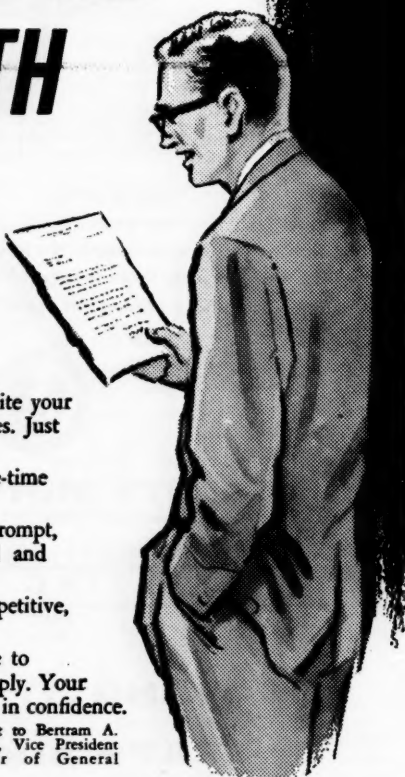
Write today or just pin this page to your letterhead for a prompt reply. Your inquiry held in confidence.



Just address it to Bertram A. Frank, C.L.U., Vice President and Director of General Agencies

Sun Life

INSURANCE COMPANY OF AMERICA
107 E. Redwood St. • Baltimore 2, Md. • Established 1890



THE PRODUCER SHOULD BE AWARDED A GREATER PERCENTAGE OF COMMISSIONS FOR LARGER PRODUCTION!

W. Blair Bendell, Agency Builder, All American Life & Casualty Company, believes in this philosophy

12 months' record of W. B. Bendell* Minneapolis, Minnesota

- First Year Paid Premiums \$69,308.58
- 9 full time representatives
- Earnings in five figures

*Joined All American April 15, 1957



All American offers you an unbeatable opportunity to build a business of your own.

Find out today why over 750 men have joined the dynamic All American team that is setting such talked about sales records. Write E. E. Ballard, President.

ALL AMERICAN

Life & Casualty Company
505 PARK PLACE • ALL AMERICAN BLDG.
PARK RIDGE, ILLINOIS

LOMA Institute Fellow Designation Won By 83

Eighty-three men and women from 62 United States and Canadian life companies have become fellows of Life Office Management Assn. Institute. In the 24 years since the first fellow qualified for the designation, 1,121 life insurance people have fulfilled the prescribed requirements for the academic honor.

This year some 13,000 men and women in more than 500 companies in the U.S. and Canada took more than 22,000 institute examinations.

West Coast Life Leaders Club Holds Sales Meeting

The 1961 Leaders Club of West Coast Life met recently in a sales training conference at Victoria, Canada. The meeting was supervised by Harry J. Stewart, president, and Frank A. Nicholson, director of agencies.

Officers of the club were Robert Woo, Chinatown, president, and Harold D. McKelvey, Spokane; S. Thomas Liu, Oakland, Cal., and Arnold W. Marquardt, Haruo Ishimaru, San Francisco, vice-presidents.

Twelve new group representatives of Pacific Mutual Life from across the country will gather at the home office in September for a month-long seminar, part of a year's training program.

Dinners, Receptions Highlight NALU Meet

(CONTINUED FROM PAGE 2)

Life, Denver Athletic Club, Navajo Room; Franklin Life, Top of the Park, and Great-West Life, Denver Hilton Hotel, Savoy Room.

Also, Guarantee Mutual, Cosmopolitan Hotel, Holiday Room; Guardian Life, Town Club; Home Life of New York, Petroleum Club, Hunt Room; Gulf Life (location not yet determined); Indianapolis Life, Brown Palace Hotel Room #238; Jefferson Standard Life, Brown Palace Hotel, Stratton-Tabor Rooms; John Hancock, Brown Palace, Onyx Room; Kansas City Life, 26 Club; Liberty Mutual Life, Denver Hilton Hotel, Century Room; Lincoln National Life, Denver Hilton Hotel, Denver Room, and Manhattan Life, Quorum Restaurant of the Argonaut Hotel.

Also, Massachusetts Mutual, Petroleum Club, 14th floor; Metropolitan Life, Denver Hilton Hotel, Union Ballroom; Minnesota Mutual, Albany Hotel, Mural Room; Mutual Benefit Life, University Club, College Room; Mutual of New York, Denver Hilton Hotel, Beverly Room; National Life of Vermont, Denver Hilton Hotel, Spruce Room, and New England Life, Denver Hilton Hotel, Silver Room.

Also, New York Life, Brown Palace, ballroom; Northwestern Mutual, 26 Club; Northern National, Mayflower Motor Hotel, Lighthouse Room; Occidental of California, Denver Hilton Hotel, Gold Room; Ohio National Life, Denver Hilton Hotel; Pacific Mutual Life, Denver Athletic Club; Pan-American Life, Rolling Hills Country Club, (Tuesday); Penn Mutual Life, Denver Hilton Hotel, Assembly III, and Phoenix Mutual Life, Cosmopolitan Hotel, Brand Iron Room.

More Locations, Given

Also Provident Mutual Life Petroleum Club, 2th floor; Prudential, Denver Hilton Hotel, Empire Room; Security Mutual of Nebraska, Brown Palace Hotel, Room #321; Security Life & Accident, Pinehurst Country Club; State Life of Indiana, Denver Hilton Hotel; State Mutual Life, Denver Athletic Club, Alpine #1, #2, #3; Sun Life of Canada, Denver Athletic Club (Tuesday); Travelers, Cosmopolitan Hotel, Empire Room; Union Central Life, Denver Hilton Hotel, Terrace Room, and Washington National, Brown Palace Hotel, Gold Room.

The NALU president's reception and ball will begin in the grand ballroom of the Denver Hilton Hotel at 10 p.m., Thursday.

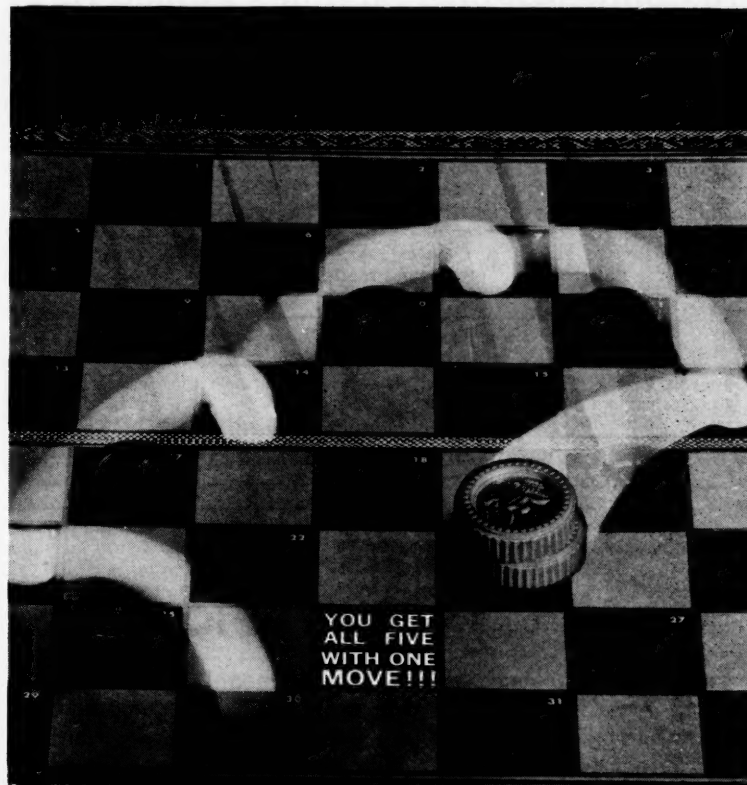
Use Of Life Insurance Stressed In UJA Drive

The life insurance division of United Jewish Appeal in New York City is taking a leading part in the new legacy development program, which promotes contributions through life insurance, annuities, or bequests.

The programs will urge UJA contributors to consult their life agents, lawyers, accountants and bankers on the most suitable way they can contribute.

Head of the life insurance division of UJA is Louis Loft, Home Life of New York.

Harold G. Machler, clerk in the central service office at Chicago of New York Life, is retiring Sept. 30 after 45 years with the company. A dinner will be held for him at the Art Institute of Chicago Sept. 28 to be attended by his friends and business associates.



LIFE, A & H, HOSPITAL
LIBERAL CONTRACTS
UNLIMITED OPPORTUNITIES
COMPLETE TRAINING
ESTABLISHED COMPANY

YOU GET THEM ALL WHEN YOU MOVE TO POSTAL LIFE. LET IT BE THE BIGGEST, BEST MOVE OF YOUR CAREER. GET ALL THE DETAILS. WRITE RIGHT NOW. TO C. M. MITCHELL, VICE PRESIDENT AND SUPERINTENDENT OF AGENTS.

POSTAL LIFE & Casualty Insurance Co.
112 WEST FORTY-SEVENTH STREET, KANSAS CITY 10, MISSOURI

HIGHER STANDARDS OF EXCELLENCE

"Never has training been so important. Not academic knowledge alone, but skillful application in actual sales situations. Looking back a few years, most of us can attribute our sales increases to intensive schooling—from basic level all the way to C.L.U."

J. D. Anderson, President,
in a speech at LIAMA Spring
Conference, Chicago, 1961

Guarantee Mutual Life Company
Omaha, Nebraska

LIFE • HEALTH • ACCIDENT • SICKNESS • HOSPITALIZATION

ACTUARIES A

BOWLES, ANDREWS & TOWNE, Inc.

ACTUARIES
MANAGEMENT CONSULTANTS
LIFE—FIRE—CASUALTY
EMPLOYEE BENEFIT PLANS
RICHMOND ATLANTA NEW YORK
PORTLAND DALLAS MIAMI

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THE HOWARD E. VYHART COMPANY
INCORPORATED
Consulting Actuaries
2859 N. MERIDIAN ST. • INDIANAPOLIS 7, IND.

Pru Conflict-Of-Interest Rules Valued As Trail Blazer

(CONTINUED FROM PAGE 9)

member of the bond department, mortgage loan and real estate investment department, commercial and industrial loan department, law department, comptroller's department, treasurer's department, and home office buildings and plant department (or a corresponding unit or division in a regional home office) shall be a director, officer, associate or partner of any other business enterprise operated for a profit, or

occupy any responsibility for or influence in the management thereof, without first having secured permission to hold such outside position from the board of directors."

Any officer or employee who is considering acceptance of such a position should, before committing himself in any way, report the circumstances to his superior, who will make the necessary arrangements for submitting the matter to the executive committee.

You will note that this resolution deals only with outside positions with business enterprises and does not affect the company's long-standing practice of permitting employees to serve on boards of civic and charitable organizations.

Distributed Questionnaire

To help the board of directors in its consideration of the whole problem, a questionnaire was distributed to and answered by all those in positions where they could possibly influence company policy. A copy of the questionnaire is attached so that those of you who did not receive it can see what was covered. In the future somewhat similar questionnaires will be distributed once a year.

After studying the matter further, the board, on Aug. 8, 1961, adopted five general rules to make clear the company's position in certain situations.

The first rule concerns the receipt of gratuities by Prudential personnel and has been adopted because the board feels that the staff is entitled to a single clear-cut statement in this matter.

Rule 1 reads: It is hereby declared to be the policy of the company that none of its officers or employees should accept gifts, gratuities or favors of any kind from any person, firm or corporation doing business or seeking to do business with the Prudential under circumstances from which it could be reasonably inferred that the purpose of the gift, gratuity or favor could be to influence the Prudential officer or employee in the conduct of Prudential transactions with the donor. This policy does not contemplate the prohibition of either the giving or the receipt of normal hospitality of a social nature nor of the normal practice of gift exchange on a reciprocal basis between persons having close personal relationships unrelated to the business.

Stock In Public Corporations

The second rule is intended to guide Prudential personnel in making investments in public corporations—a privilege which of course must be accorded everyone. In our case, the situation is complicated by the fact that the Prudential is itself a major investor in corporations, and lends money directly to many hundreds of them. This leaves the door open for possible conflict of interest by those who, because of their association with Prudential, may learn of certain corporate situations which might provide a special personal advantage, or by those who may be in a position to influence Prudential action with respect to a company in which they have an investment.

Yet it obviously would be unfair to prevent all Prudential employees from investing in corporations whose stock is available on the open market, simply because of Prudential's association with a company in which they may be interested. This is particularly true in the case of those employees who have

no connection with investments, so this rule applies primarily to those who are associated with the investment part of our business.

Lists Those Affected

Rule 2 reads: After the effective date hereof, the following rules shall apply to the president, the executive vice-presidents, any member of the law department handling work for either the bond department or the commercial and industrial loan department, the secretary, the treasurer or any associate or assistant treasurer, any officer or employee of the comptroller's department whose duties require him to see copies of the minutes of the finance committee, any officer or employee in either the bond department or the commercial and industrial loan department, and any officer or employee having similar duties or responsibilities in a regional home office:

1. Neither they nor members of their families living in the same household shall acquire directly or indirectly any stock or equity interest in any corporation which has or has made application for a direct placement loan, during the loan negotiations or for a period of six months following the closing of such loan or termination of such negotiations if the loan is not closed.

Must Make Disclosure

2. If any such officer or employee has, or if he knows that a member of his family living in the same household has, acquired a stock or equity interest in any corporation which has or is negotiating for a direct placement loan from the Prudential or which is negotiating with the Prudential for any modification of the terms or conditions upon which a direct placement loan has theretofore been granted he shall be obligated, notwithstanding that such stock or equity interest may have been acquired in a manner not prohibited by paragraph 1 above, to make immediate and full disclosure of the circumstances of such stock or equity investment to the president and to the finance committee.

3. All such officers and employees shall treat information which they receive about the financial condition and business activities of any direct placement loan borrower or applicant as confidential. Such information shall not be disclosed to or discussed with other officers or employees of the company, except those whose duties include participation in the consideration or supervision of the loan.

May Require Divesting

If the finance committee, after taking into consideration the size of any such stock or equity investment disclosed to it and the position of the officer or employee owning it, shall determine that it would be in the best interest of the company, for the purpose of avoiding a possible conflict of interest or criticism of the company or poor business ethics, to do so, it is hereby authorized and empowered (a) to require any such officer, employee or member of his family living in the same household to divest himself of such stock or equity holding; and/or (b) to exclude such officer or employee from further participation in any negotiations (or any other matters which it may specify) with the direct placement borrower.

The third rule was adopted in order to include a specific statement on the matter of making mortgage loans to officers and employees even though the Prudential has always had formal rules concerning the making of mort-

WANT ADS

Rates—\$25 per inch per insertion—1 inch minimum—sold in units of half-inches. Limit—40 words per inch. Deadline 4 P.M. Friday of week before publication in Chicago office—175 W. Jackson Blvd. Individuals placing "Situation Wanted" ads are requested to make payment in advance.

THE NATIONAL UNDERWRITER—LIFE EDITION

LIFE INSURANCE INVESTMENT OFFICER

Exceptional opening for top management-level man, age 33-45. Must have substantial experience in Life company or Trust portfolio management, relating to mortgages, bonds, and direct placement work. Excellent opportunity with reputable 53 year-old midwestern life insurance company. Enjoy good living area, modern offices, liberal pension, welfare, and salary policies.

Send full details and resume for confidential reply to W. Mead Stillman, President, Wisconsin National Life Insurance Company, P. O. Box 140, Oshkosh, Wisconsin.

SUPERINTENDENT OF AGENCIES

Nationally known company writing noncancellable A&S, Life and Group has an opening in the Southwestern Region created by promotion. The region is composed of sixteen established agencies in ten Southwestern and Rocky Mountain states. We seek a man whose qualifications include successful performance in personal sales of A&S and Life insurance and a good record in field management and agency building. If you have these qualifications and are interested in considering Home Office work, write in confidence to A-84, National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Illinois.

LOS ANGELES OPPORTUNITY FOR YOUNG GROUP SALES REPRESENTATIVE

Expanding Group Office with local claim service has attractive opportunity for young college graduate with minimum of two years experience. High sales in this dynamic area force us to increase our Group personnel.

Starting salary based on experience up to \$9000 plus bonus and annual review. Applicants from other locations considered and moving expenses paid.

We are a Mass. domiciled Life Company operating in all states. Selected candidates will be invited to our Home Office for final interviews. Reply in confidence to A-85, National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Illinois.

LIFE UNDERWRITER

Life insurance company, recently organized subsidiary of large eastern casualty-insurety writer (not located in New York) is seeking a Home Office Life Underwriter with three to five years underwriting experience. This is an excellent opportunity for a qualified young man. The position is newly created because of increasing volume of business.

Answers confidential. Write, including details of education and experience to A-90, National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Illinois.

TOP TALENT AVAILABLE

Position wanted as Company President with control to build, create, recruit, set-up. Can do it all from Zero. Highly successful today! Must have contractual tenure and equity. Best reason for leaving present top spot. Write A-79, National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Illinois.

GROUP PENSION FIELDMAN

Excellent opportunity for an aggressive and imaginative man between 25-35 in the exciting and rapidly expanding fields of Group Pension and Profit Sharing. Your only limits with this leading major insurance company are your own imagination and desire to learn and get ahead. College degree is not necessary for the right man; some group and/or sales experience desirable. Include education, experience and salary requirements in resume to A-86, National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Illinois.

ACTUARIAL ASSISTANT—CONSULTING

Expanding midwestern firm of Consulting Actuaries offers excellent opportunity for man age 24-32 with home office experience and some Society exams passed. Work includes responsibility for actuarial phases of individual life and A & H for life companies. Our employees know of this ad. Write A-91, National Underwriter Co., 175 W. Jackson Blvd., Chicago 4, Ill.

Colonial To Be Host To Rose Show

The North Jersey Rose Society will be host to the Penn-Jersey district of the American Rose Society for its annual rose show and convention at the home office of Colonial Life, Sept. 16. Over 2,000 people attended last year's exhibit at Colonial's home office. Richard D. Nelson, executive vice-president, will represent the company in handling arrangements with show and convention committees.

September 16, 1961
Rule
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Rule 3 reads: After the effective date hereof:

1. No mortgage loan shall be made to any officer of the company.

2. No mortgage loan shall be made to any employee of the company not an officer having a salary maximum of \$25,000 or more, to a resident attorney in the law department, or to an employee in the mortgage loan and real estate investment department or a corresponding unit or division in a regional home office who has a salary maximum of \$16,000 or more; provided, however, that in the event of a transfer of such an employee into a different area, if the vice-president in charge of the mortgage loan and real estate investment department shall be satisfied that such employee cannot obtain mortgage financing upon his new home upon reasonable terms from another lender, he may approve a loan to such transferred employee at such rate and upon such terms as are generally available to other Prudential borrowers in the area.

3. In the event that any officer or employee to whom the foregoing rules are applicable shall acquire property subject to an existing Prudential mortgage, or in the event that he has a Prudential mortgage, at the time of his election or promotion to such position, no modification of any of the terms of such loan or mortgage shall be made without the approval of the vice-president in charge of the mortgage loan and real estate investment department, who shall approve only if he is satisfied that the loan or mortgage as modified will be on terms and at a rate generally available to other Prudential borrowers in the area.

The fourth rule was adopted to cover what has long been considered an obvious conflict of interest in most organizations—i. e., for employees, especially those in the higher levels of management, to invest in competing organizations.

Rule 4 reads: After the effective date hereof, no officer or employee of the company at or above 2nd vice-president level shall directly or indirectly acquire as an investment any stock in an insurance company writing life, accident or health insurance.

The fifth rule was adopted to prevent possible conflicts of interest with banks holding Prudential deposits. Since company funds are deposited in a very large number of banks, the appearance of such a conflict is always possible. Rule 5, therefore, was adopted and made applicable to all officers and employees who could conceivably have any part or influence in deter-

mining action with respect to our bank treasurer or any associate or assistant treasurer, shall make, endorse or guarantee any loan from a bank which is, or is being considered for approval as, a depository for the funds of the company, he shall immediately report the loan to the executive committee.

Rule 5 reads: After the effective date hereof, if the president, any executive vice-president, any 1st or 2nd vice-president in a regional home office, the

Cosmopolitan Life Is Formed; Goodwin Knight Is President, Chairman

Cosmopolitan Life of Beverly Hills, Cal., has been formed by Cosmopolitan Ins. of Chicago.



R. I. Jacobson

Designed to provide multiple line facilities for Cosmopolitan fire and casualty agents, the new life company has a paid in capital and surplus of \$1,200,000 and will write non-participating policies.

Robert I. Jacobson, president Cosmopolitan, secretary Employers Insurance Agency, and president Cosmopolitan group, will be treasurer of Cosmopolitan Life.

Other officers include former California Gov. Goodwin J. Knight, president and chairman; Irwin J. Sylvern, chairman and secretary Cosmopolitan, president Employers Insurance Agency, and chairman Cosmopolitan group, who will be executive vice-president; and Robert P. Branch, president Consolidated American Life of Illinois, vice-president.

Messrs. Jacobson, Sylvern, and Branch will serve as directors as well as Drew McConnell, California attorney and son of the insurance commissioner there; Jerome H. Stern, executive vice-president Cosmopolitan, and executive vice-president Cosmopolitan group; A. E. Brandin, vice-president for business affairs Stanford University, and a director of Wattis & Co.; Marsden S. Blois, president Miller & Lux, San Francisco, and former executive vice-president Bank of America; Thomas Fildale, owner of Tom Fildale Inc.

Also, J. Ronald Getty, director and marketing manager Tidewater Oil Co., and director of numerous other companies; Alfred Gitelson, Los Angeles superior court judge; Charles E. Martin, president California Frozen Juice Co. and chairman Farmers Frozen Foods, and John R. McKee, chairman California Casualty Indemnity Insurance, president of Index Underwriters and a director of Western Insurance Information Service.

American National Has Three New Divisions

American National has extended its sales operations by creating three new divisions and appointing three new division directors. These additions raise the total of such divisions to 10 in the combination sales force representing the company.

C. M. Johnson, manager at Roswell, N. M., has been named director of the Rocky Mountain division with headquarters at Denver. W. A. Crancer, manager at Whittier, Cal., has been appointed director of the northwestern division with headquarters at Oakland. F. L. McDonald, manager at Albuquerque, will direct the midwest division with headquarters at Tulsa.

West Wrongly Identified

The report of the SEC registration of 400,000 shares of Kentucky Central Life & Accident contained in the Aug. 26 issue on page 25 identified Robert H. West as chairman of Lexington Finance Co. Lexington Finance is selling 200,000 of the 400,000 shares. Mr. West is not chairman of Lexington Finance, he is chairman of Kentucky Central L.&A.

NOW RENEWAL GUARANTY CORPORATION ANNOUNCES 4 NEW EXCLUSIVE BENEFITS ON RENEWAL COMMISSION LOANS

1. Long term repayment plan
2. Interest on unpaid balance only
3. No service fee or commission charge
4. Loans are non-demand and non-callable

A General Agent or agent can easily convert his Vested renewal commissions to cash now. Loans from \$2,000 to \$100,000. We are presently doing business with over 80 U. S. Life Insurance Companies in 45 states and two foreign countries. During the past 9 years, this corporation has loaned over ten million dollars to the Life Insurance Fraternity. We assist life underwriters to become even more successful.

For complete, confidential information on this exclusive service, please call or write

Renewal Guaranty Corporation

2323 First National Bank Building • Phone TABor 5-2254
Denver 2, Colorado

"LARGEST SPECIALIZED FINANCING SERVICE FOR LIFE UNDERWRITERS"

RGC

RGC's President, John H. Weber, has been a member of the NATIONAL ASSN. of LIFE UNDERWRITERS over 15 years.

RENEWAL GUARANTY CORPORATION

2323 First National Bank Bldg., Denver 2, Colo.

Gentlemen: Please send me complete, confidential details on your exclusive service. I understand I am NOT obligated in any way.

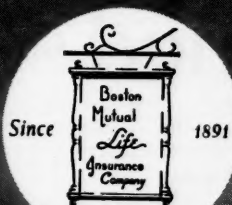
☐ AGENT ☐ GENERAL AGENT

Name.....

Company.....

Address.....

City.....Zone.....State.....



Since

1891

MUTUAL

Mass. Mutual Restates Replacement Rule

(CONTINUED FROM PAGE 2)

tion the practice of seeking replacements or 'stripping' cash values of existing policies, which in most cases lead to ultimate surrender or lapse, as methods of promoting the sale of new insurance."

Rules Are Given

Massachusetts Mutual will apply the following rules in cases involving replacement of insurance:

In all cases involving replacement of permanent insurance in other companies, immediately upon receipt of the application Massachusetts Mutual will notify the company concerned of the possibility of replacement of insurance in force in that company.

When the replacement of permanent insurance in the Massachusetts Mutual is involved, cases will be carefully screened and questionable or borderline cases will be referred to the company's calculation department for analysis. If it appears that the replacement is not to the insured's advantage or that a change in existing policies is preferable to new insurance,

a new contract will not be issued until the company has received from the policyholder a statement certifying that he reviewed the company's analysis and is aware of disadvantages.

In all cases involving replacement of permanent insurance in the Massachusetts Mutual or in any other company, the policyholder must be advised in writing of the disadvantages previously outlined. There should be a full comparison of the policy provisions and benefits of both the old and new contracts as to suicide and incontestability clauses; additional features, such as disability and accidental death benefit; war, aviation or other exclusion riders, change privilege; settlement options and beneficiary arrangements available. The policyholder must be informed whenever it would be to his disadvantage to forego a privilege or benefit in the old policy or to assume a restriction in the new.

A complete cost comparison must be furnished, including a comparison of gross premium less dividends, increase in cash values, and guaranteed

premiums when they are involved. Comparative figures should cover a period long enough so that a fair comparison can be made. Under New York law such a comparison must be made for the possible duration of each policy to be determined by the life expectancy of the insured.

The company must be notified whenever the application for new insurance is based on the replacement of existing insurance, regardless of plan, or when the agent has any knowledge that a policy has recently been or may be surrendered, lapsed, placed or under extended term or made paid-up for a reduced amount.

Expected To Observe Intent

"We expect our agents to observe the spirit as well as the letter of this requirement," the letter said, "and to notify the company of any knowledge that existing insurance may be affected within one year, even though a definite decision as to the disposition of the old insurance has not yet been made."

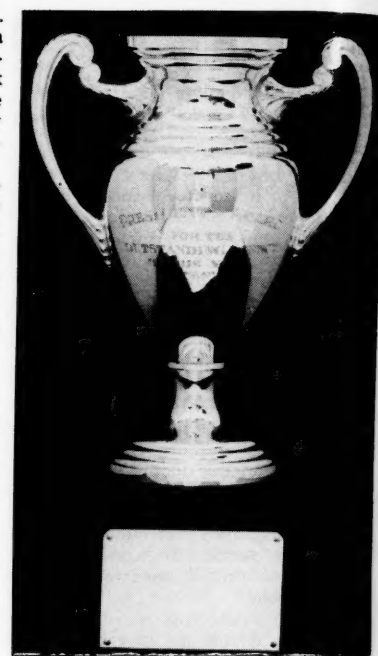
The application must be accompanied by a supplemental letter signed by the agent clearly explaining the reason for the replacement. This letter should also state that the policyholder has received a signed copy of the proposal, outlining the disadvantages as well as the advantages of the replacement, with full and accurate comparisons. The letter should further state that signed duplicate copies of the proposal and comparisons have been furnished to the general agent. This material is to be reviewed by the general agent and held in his files, to be available to the home office on request for a period of three years.

Retirement Programs For Associations Discussed In Chamber Of Commerce Book

A 30-page booklet outlining retirement plans for associations has been published by U.S. Chamber of Commerce. The booklet, "Association Retirement Plans," discusses the various provisions of different pension plans and ways of financing them.

One section is devoted to deferred compensation plans and another tells how an association can set up a plan to cover its staff, members and their employees. The booklet was written for the chamber by Paul C. Cowan, a Cincinnati consulting actuary, after a recent chamber survey of 1,200 associations revealed that less than half of them had retirement plans.

The booklet is available from the chamber at Washington 6, D.C., at a cost of 50 cents a copy.



Massachusetts Indemnity Life has created a new award to replace its Roger Billings award which was retired by the company's Los Angeles agency in 1960. The new trophy shown in the photograph will be awarded annually by the home office to a successful agency which best displays the characteristics of good management. Each year the winning agency's name will be engraved on the award. The trophy will be awarded permanently to the agency winning it three times.

Mutual Of N.Y. Conducting Advanced Sales Workshops For Agents In 10 Cities

Mutual of New York will be conducting a series of two-day workshops for its producers in 10 cities throughout September.

Various business and insurance problems will be studied, and particular emphasis will be laid on estate planning for the moderately wealthy business executive with high income and small savings or invested capital.

The workshops will be conducted by Mutual's advanced selling staff. The first one begins in Raleigh, N. C., and the last will be in Haddonfield, N. J., on Sept. 29.

Other workshops will be held in Jacksonville, Dallas, Chicago, Detroit, Boise, San Francisco, Los Angeles and Boston. Some 500 agents are expected to attend the sessions.

SURPLUS BUSINESS?

HOW ABOUT CANADA LIFE?

The Canada Life is the first Canadian life company and among the seven oldest on the continent.

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The
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Assurance Company

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p.s.: means

planned security!

This slogan describes to the public the important service of this important life insurance company.

It also describes the attitude of the company toward the career aspirations of its agents—a planned approach combining security with opportunity.

Every man doesn't fit this

career pattern, but *you* might. Drop us a line and find out, won't you?



**Piedmont
Southern Life**

INSURANCE COMPANY
Stanford Y. Smith, CLU, Agency Vice Pres.
HOME OFFICE • ATLANTA, GEORGIA

Call Life Insurance 'Savings,' Hamor Urges

(CONTINUED FROM PAGE 2)
to a part in this development."

Mr. Hamor said that in the past life people in the main have faced their challenges successfully, but today there is a new enemy—"a fifth column boring from within, a small number of life insurance agents which evidence indicates are turning more and more to the practice of replacing. The twister has always been with us, but the amount of replacement occurring today gives evidence of an alarming breakdown in the code of ethics which has guided us for so many years. There seems to be a change of philosophy, a new attitude towards our duties and the trust placed in us.

"... There is evidence today to make one wonder if some field men spend some of their time not on discovering prospects with needs and working out the amount of insurance they should have, but prospecting for people with old policies, to find out if there is possibility of switching to save the prospect a few dollars a year—and, of course, to free his cash values for some other purpose. We cannot afford to treat replacement so casually, so indifferently as to permit it to assume—by default—an air of respectability. We must continue to shout that replacement is an evil, a blight on the industry."

If replacing should continue to the ultimate, Mr. Hamor pointed out, it would wind up with life insurance underwritten annually like automobile insurance. "Of course we all know we can't go that far—or do we? Where along the march to the ultimate do we put on the brakes and bring this Frankenstein to a screeching halt?"

The agent is first affected by replacements when he loses his renewal income. Mr. Hamor said there are now cases where replacements are being replaced. "Carry this process far enough and there will be no reason for the present commission structure—a

high first and subsequent renewal commission for service. Life insurance could be expected to go the way of property insurance, with lower and lower commission adjustments. It could also go the way of direct writing, without renewals, and with the business becoming the property of the company."

He mentioned the effect this could have on the attitude of the agent as the ethical standards are lowered and he loses pride in offering professional service.

Public Confidence Hurt

But more serious than the effect on the agent is the effect that replacements have on the confidence of the public in the life insurance producer. After some early tribulations, the life insurance agents have overcome active public distrust and have won public confidence superior to that of almost any other product. Mr. Hamor said the business must guard against the erosion of such confidence and trust.

He stated Continental Assurance will return the replacement question to the face of the application and will require a statement on a special form if replacement is being made, and the company will withdraw its endorsement of certification of any individual who is an active professional replacer.

He asked the agents to support these efforts. As a brokerage company, Continental needs special help in this area, he noted.

He also urged the agents to "live and talk the old-time religion of life insurance, and keep renewing that religion by practicing your faith."

Stop calling life insurance an investment, he advised. Outside competition has changed the connotation of that word and the public appears to have accepted a meaning different from that understood within the business. Life insurance can and should be called savings, and there should be no

attack on the savings function provided in permanent life insurance. "Whoever heard of a twister or an equity salesman successfully persuading a man to destroy completely his savings bank account or his equity in his home?" Mr. Hamor asked.

The agent can learn how to give his insured an understanding of the savings in life insurance as a by-product of the mathematical device of level premiums. Life insurance, Mr. Hamor pointed out, did not adequately serve the public until the level premium device was invented. The by-product of this leveling of premium, which was an invention to make certain a man could have insurance as long as he lived, is the reserve, and it is the reserve which provides safety and flexibility through such features as automatic premium loan, paid-up insurance, extended insurance and other reserve values.

Mr. Hamor said the agents also should learn more about the skills of conservation.

Fidelity Union Life of Dallas is now paying 4½% annually on prepaid premiums.

New Florida Handbook

A new Underwriters Handbook of Florida has just been published by the National Underwriter Co. It provides complete and up-to-date information on the agencies, companies, field men, general agents, groups and other organizations affiliated with insurance throughout the state. Copies of the new Florida handbook may be obtained from the National Underwriter Co. at 420 East Fourth Street, Cincinnati 2, Ohio. Price \$12.50 each.

Indianapolis CLUs Elect

Indianapolis chapter of CLU has elected James F. Norton, Research & Review Service, president for the 1961-1962 year. Robert B. Thompson, American United Life, is vice-president; Hilbert Rust, Research & Review, secretary-treasurer, and Dan E. Flickinger, general agent John Hancock, educational chairman.

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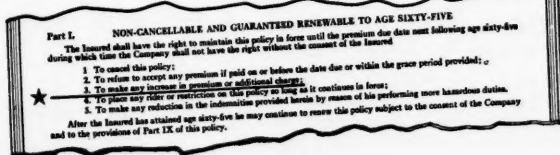
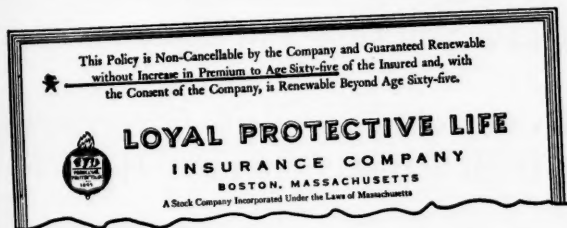
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